COOPERATIVE BANK OF CHANIA
Cooperative of Limited Liabilities

Financial Statements in Accordance with IFRS

For the period

From 1st January

to

31st December 2021

CONTENTS

Any differences in totals are due to rounding off.

Credit Institution Name	**COOPERATIVE BANK OF CHANIA Cooperative of Limited Liabilities (distinctive title: COOPERATIVE BANK OF CHANIA)**
Legal Framework	Law 1667/1986, Law 4261/2014, EU Directive 575/2013
Operating License as a Credit Institution	Meeting resolution 560/18-09-1995 (Item 14) of the Bank of Greece's Monetary and Credit Affairs Committee
Number of Branches	23 Branches
Award Contract No.	123088758000
Website	www.chaniabank.gr
E-mail address	info@chaniabank.gr
Board of Directors' Composition	
Chairman	Michael Marakakis son of Emmanuel
Deputy Chairman	Georgios Androulakis son of Charalambos
Secretary	Alexandros Perivolakis son of Vasilios
Treasurer	Georgios Farantakis Georgios son of Iosif
Executive Member	Emmanuel Apostolakis son of Apostolos
Executive Member	Apostolakis Spyridon son of Nikolaos
Executive Member	Anastasios Vamvoukas son of Dimitrios
Non-Executive Member	Koulierakis Ioannis son of Efstratios
Independent Non-Executive Member	Ioannis Malandrakis son of Ioannis
Independent Non-Executive Member	George Baourakis son of Michael
Executive Member	Dimitrios Dokakis son of Vasilios
Independent Non-Executive Member	Maria Sperelaki daughter of Theodoros
Independent Non-Executive Member	Iosif Hiotakis son of Iosif
VAT REG. NO. - TAX OFFICE	096149662 - TAX OFFICE OF CHANIA
Year of Incorporation	1993
Address	28-32 Eleftheriou Venizelou Street
Phone	28210-25500

This Annual Financial Report includes the following sections:

- The Board of Directors Members’ Statement
- The Audit Report by the Independent Certified Public Auditor/Accountant
- The Board of Directors’ Annual Report
- The Annual Financial Statements for the Bank and the Group for the 2021 period
- Notes to the Financial Statements

Board of Directors Members' Statement

We certify that to the best or our knowledge:

- The annual financial statements, which have been prepared in accordance with the applicable accounting standards. give a true and fair view of the assets and liabilities, the equity and the results of the "Cooperative Bank of Chania Cooperative of Limited Liabilities", as well as the companies included in the consolidation taken as a whole and
- The Board of Directors' Annual Report fairly reflects the evolution, performance and position of the Bank as well as the companies included in the consolidation as a whole, including a description of the main risks and uncertainties that they face.

Chania, 6 June 2022

Chairman of the BoD	Deputy Chairman of the BoD	Treasurer of the BoD
Michael Marakakis	**Georgios Androulakis**	**Georgios Farantakis**

Πατησίων 75
104 34 Αθήνα
Ελλάδα

Τηλ. +30 210 8211 754
Fax +30 210 8256 067
Email info@axonaudit.gr
Web www.axonaudit.gr

Audit Report by the Independent Certified Public Auditor/Accountant
To the Partners of the
"Cooperative Bank of Chania Cooperative of Limited Liabilities"

Audit Report on the Corporate and Consolidated Financial Statements

Opinion

We have audited the accompanying corporate and consolidated financial statements for "**Cooperative Bank of Chania"** (the "Bank"), which comprise the corporate and consolidated statement of financial position as at 31st December 2021, the corporate and consolidated statements of comprehensive and other income, changes in equity and cash flows for the year ended on this date and a summary of significant accounting policies and methods and other explanatory information.

In our opinion, the accompanying corporate and consolidated financial statements fairly present, in all material respects, the financial position of the Bank and its subsidiaries as at 31st December 2021, their financial performance and their cash flows for the year ended on this date in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in Greek Law. Our responsibilities, according to these standards, are further described in our report under the paragraph "Auditor's responsibilities for the audit of corporate and consolidated financial statements". Throughout the term of our appointment, we have remained independent from the Bank and its consolidated subsidiaries, pursuant to the Code of Ethics for Professional Auditors of the International Ethics Standards Board of Accountants (IESBA Code) that has been adopted by Greek Law and the ethical requirements that are related to the audit of corporate and consolidated financial statements in Greece and we have fulfilled our ethical obligations pursuant to current law and the requirements of the IESBA Code. We believe that the auditing evidence that we have acquired suffices and is appropriate to base our audit opinion.

Material uncertainty related to going concern

We draw your attention to Note 2.2 on corporate and consolidated financial statements that refer to the management of non-performing loans (NPEs) and in particular to the strict supervisory framework for monitoring and reducing "NPEs" that may adversely affect the Bank in terms of operating profitability and capital adequacy.
As mentioned in the above note, this fact, together with the subject described in Note 22a, indicate the existence of material uncertainty which could potentially adversely affect the Bank's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of subject

We draw your attention to Note 22a of the corporate and consolidated financial statements which analyzes contingent liabilities of the Bank arising out of the lawsuits of certain shareholders against the Bank in respect of the Contracts of the Special Account "Return". In our opinion there is no reservation on this matter.

Key audit issues

The key audit issues are those matters which, in our professional judgment, were of paramount importance in our audit of the corporate and consolidated financial statements of the audited period. These issues were addressed in the context of the audit of the corporate and consolidated financial statements as a whole in order to formulate our opinion on these and we do not express a separate opinion on these issues. In addition to the issue described in section "Material uncertainty related to going concern" of our report, we have found that the issues described below are the most important audit issues to be reported in our report.

Key audit issues	How it was handled
1. Impairment of loans and due from customers at amortized cost	
Due to the importance of the size of loans in the financial statements, the complexity of calculating the impairment of loans and the significant degree of judgment on them as well as the assumptions-estimates of management required for this purpose, we considered that impairment of loans by customers is a important audit issue for the Bank and the Group in the current year. Loans due to customers of the Bank and the Group amounted to EUR 386.7 million and EUR 352.3 million, respectively as at 31 December 2021 compared to EUR 390,3 million and EUR 355.3 million for the Bank and the Group as at 31 December 2020, net of provisions of EUR 100 million for the Bank and the Group as at 31 December 2021, compared to EUR 86.9 million as at 31 December 2020. From 1 January 2018, the Bank and the Group adopted IFRS 9, thus recognizing losses for credit risk when they are expected to occur and not when they have already occurred. Management has disclosed information about the application of IFRS 9, the understanding of the estimates needed to calculate the expected credit risk loss and the evaluation of the measurement of IFRS 9 in Notes 4.3 and 4.4 to the corporate and consolidated financial statements. In order to reduce the impact of the pandemic (Covid 19) on the economy, the Bank	Based on the audit risk assessment, we assessed the methodologies, policies and judgments/ assumptions adopted by Management to determine expected future credit losses in respect of loan and receivable impairment. For this important audit issue, we performed, among other things, the following audit procedures: We evaluated the reasonableness of the assumptions and decisions made by Management in the classification and measurement of financial instruments, the business model and the appropriateness of the classification of financial assets at amortized cost, as well as the consistency of its exposure classification methodology to the stages laid down in the standard, also in the context of the adjustments required by the impact of the pandemic (Covid 19) on the economy and the adoption of support measures for borrowers, as appropriate. We evaluated the following items: <u>Individually assessed loans</u> ▪ We assessed the design and implementation of the audit's internal controls which are related to our audit, including internal controls that are related to the significant estimates, data, calculation and methodologies used. ▪ We assessed the appropriateness of the methodology and the provision calculation policy used by Management. ▪ We have audited and evaluated, on a sample of loans serviced basis, the completeness of the qualification of loans with signs of

implemented support measures for borrowers (Moratoria, interest subsidies) also in 2021, in the context set by the Greek Government, the announcements of the Hellenic Banking Association and the announcements and instructions of the European Banking Authority (EBA) adopted by the Bank of Greece. The Bank and the Group form a loan impairment provision for losses incurred both on an individual and on a collective basis. The key judgments are: ▪ The application of IFRS 9 requires significant assessments and judgments on the proper classification of loans and how they are measured, to determine the increase in credit risk, the macroeconomic criteria, and the correct design of the mathematical formulas and data to be used in calculating the expected credit loss. ▪ The methodologies and policies selected by management, valuation of collateral, assumptions/parameters, macroeconomic criteria and the range of multiple financial scenarios used to determine the discounted cash flows used for loans that are individually assessed. ▪ The methodologies and policies adopted by management, models for measuring credit risk through credit risk factors, such as loss in default, probability of default and exposure to default, and macroeconomic criteria in combination with the range of multiple economic scenarios used to calculate the amount of impairment carried out on a collective basis, taking into account the grouping of similar populations, including the probability of default, loss in the breach and the time period between the occurrence of a particular loss-making event and the date on which it becomes known. Management has provided further information on the accounting principles and policies used to determine the provision for loan impairment, credit risk management and the impairment review in Notes 2.7, 4.3, 4.4 and 10 of the corporate and consolidated financial statements.	impairment by evaluating them in accordance with the provisions of IFRS 9, while examining the uncertainties, suitability of the assumptions used against the value of collateral, the estimated future cash flows and the period of recovery. ▪ We recalculated the discounted cash flows by comparing the results as determined by Management and we looked into any differences. ▪ We assessed the completeness and accuracy of disclosures based on the relevant accounting standards. Loans that are assessed on a collective basis: ▪ We assessed the design and implementation of the audit's internal controls which are related to our audit, including internal controls that are related to the significant estimates, data, calculation and methodologies used by examining the completeness and accuracy of the data used in the impairment models, reconciling these data with the systems from which they originated. ▪ We evaluated the policy, provisions calculation methodology and the reasonableness of the impairment model methodology as well as the key judgments adopted and applied by management to the models to determine the credit risk parameters for calculating the expected credit loss. ▪ We checked on a sampling basis the main parameters used to calculate the probability of default, the loss in case of default and the exposure in default in order to calculate the expected credit risk losses at the end of the year. ▪ We assessed the reasonableness of the impairment model methodology applied by Management and the main crises adopted in the models to determine the credit risk parameters for calculating the expected credit loss.

2. Recoverability of Deferred Tax Assets (DTAs)

The Bank's and Group's "DTAs" amounted to EUR 23.2 million and EUR 23.3 million, respectively as at 31 December 2021, compared to EUR 23.6 million and EUR 23.7 million, respectively as at 31 December 2020. For the Bank (and at the Group level), temporary differences mainly relate to (€ 18.3 million) losses arising from credit risk impairment provisions and the proportion of losses from interests in subsidiaries (€ 3.7 million), which may be offset against future taxable profits in accordance with applicable law. Consequently, the recoverability of the recognized "DTAs" depends on the Bank's ability to generate sufficient future tax profits to cover the temporary differences when they are finalized for tax purposes. At the same time, in 2021 the Bank recognized "DTAs" amounting to EUR 2 million which relate to the undepreciated debit difference of par. 3 of Article 27 of Law 4172/2013 (loan write-offs) and therefore depends on the specific tax framework of this Law. The measurement of the recoverability of deferred tax receivables is considered a key audit issue as it depends on Management's judgment and estimates of the Bank and the Group's ability to generate future taxable profits, the assessment of the historical tax losses and the specific tax framework of the Articles 27 and 27A of Law 4172/2013 which may not be appropriate under the circumstances, while the Bank and the Group's business plan may be affected by the risks of the macroeconomic and banking environment as well as the uncertainty of the Bank continuing under the principle of going concern as we report in our Report. Management has provided further information on its assumptions and significant accounting estimates for deferred tax assets in notes 4.13.3 and 18 of the corporate and consolidated financial statements.	In order to assess the recoverability of the Bank's and the Group's "DTAs" and based on our assessment of the audit risks, we examined the assumptions and methods used by the Bank and the Group to determine the recoverability of the "DTAs" and its assumptions about the existence of future tax profits. The assessment procedures primarily included: • The review of the Bank's business and financing plan, the strategy for the divestment of part of its subsidiaries and Management's reasonable assumptions and expectations regarding future taxable profits of the Bank and their impact on the "DTAs" balance by assessing the historical nature of the Bank and Group's tax profits, the budget data and calculations that accompany the Bank and Group's business and financing plan provisions • We evaluated the above assumptions and expectations of the Bank and the Group based on our own assessments and knowledge about the Bank, the Group and the industry, in general • Assessment of Management's estimates of recent changes in tax Law and the assumptions used to calculate the amount of "DTAs" in accordance with the provisions of articles 27 and 27A of Law 4172/2013 • Assessment of the adequacy and appropriateness of the relevant disclosures for concerning the "DTAs" in the corporate and consolidated Financial Statements Based on the above procedures, we considered that Management's judgments and assumptions regarding the deferred tax assets were reasonable.

Other information

Management is responsible for other information. Other information is included in the Board of Directors' Annual Report, for which special reference is made in "Report on Other Legal and Regulatory Requirements", the Board of Directors Members' Statements but do not include the financial statements and the audit report thereon.

Our opinion on the corporate and consolidated financial statements does not cover other information and we do not express any form of assurance on them in our opinion.
In relation to our audit of the corporate and consolidated financial statements, it is our responsibility to read the other information and thus to consider whether the other information is materially inconsistent with the corporate and consolidated financial statements or knowledge we obtained during the audit or otherwise appear to be materially incorrect. If, on the basis of the work we have performed, we come to the conclusion that there is a material error in the other information, we are obliged to report this fact. We have nothing to report on this issue.

Responsibilities of management and those charged with governance for the corporate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the corporate and consolidated financial statements in accordance with IFRS as these have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of corporate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the corporate and consolidated financial statements, Management is responsible for assessing the Bank and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Bank and Group or to cease operations, or has no realistic alternative but to do so.
The Bank's Audit Committee (art. 44 4449/2017) is responsible for overseeing the financial reporting process of the Bank and the Group.

Auditor's responsibilities for the audit of corporate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the corporate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been incorporated in Greek law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these corporate and consolidated financial statements.
As part of an audit in accordance with ISAs, as these have been incorporated in Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement of the corporate and consolidated financial statements, whether due to fraud or error, by designing and conducting audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the corporate and consolidated financial statements, including the disclosures, and whether the corporate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the corporate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and its subsidiaries' audit.

We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the corporate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Management Report

Having regard that Management is responsible for the preparation of the Board of Directors' Report pursuant to the provisions of article 2(5) of the Law 4336/2015 (part B), we note that:
a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150 and 153 of Law 4548/2018 and its content corresponds to the attached corporate and consolidated financial statements for the year ended 31/12/2021.
b) Based on the information that has been made available to us during our audit, about the Bank and the Group and its environment, we have not identified material inaccuracies in the Board of Directors' Management Report.

2. Supplementary Report to the Audit Committee

Our opinion on the accompanying corporate and consolidated financial statements is consistent with our Supplementary Report to the Bank's Audit Committee provided for in Article 11 of Regulation (EU) No. 537/2014.

3. Provision of Non-Auditing Services

We did not provide the Bank and its subsidiaries with the non-auditing services that are prohibited in accordance with Article 5 of Regulation (EU) No. 537/2014.
The permitted non-auditing services we have provided to the Bank and its subsidiaries during the period that ended on 31 December 2021 are disclosed in Note 28 of the attached corporate and consolidated Financial Statements.

4. Appointment of an Auditor

We were appointed as the Bank's Certified Public Auditor/Accountants for the first time further to a decision taken 18/06/2006 by the annual ordinary general meeting of the Bank. Since then, our appointment has been continuously renewed for a total period of 16 years pursuant to the decisions taken by the ordinary general meeting of the partners of the Bank.

Athens, 10 June 2022

The Certified Auditor-Accountant
STAVROS NIKIFORAKIS
SOEL REG. NO. 11501

AXON CERTIFIED AUDITORS SA
SOEL REG. NO. 138
75 Patission Street, 104 34, Athens

BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT

On the Consolidated Financial Statements of the Cooperative Bank of Chania Cooperative of Limited Liabilities for the year 2021.

The following annual report by the Board of Directors concerns the year 2021 (01.01.2021 to 31.12.2021). The Report is harmonized with the relevant provisions of articles 150 to 153 of Law 4548/18. This report presents in a true manner all the relevant and legally necessary information about the Cooperative Bank of Chania Cooperative of Limited Liabilities (hereinafter the "Bank") and the Group.

The Report is included in the Annual Financial Report for the 2021 fiscal period, together with the financial statements of the Bank and the Group and the other statements and declarations that are required by the law.

Developments in the International and European Environment

Coming from the biggest post-war recession due to the pandemic, the world economy faced new challenges in 2021. Initially, the pandemic continued, for a second year, to affect global population, with the emergence of new, more contagious variants of the virus, despite the development of vaccines and the vaccination of a significant part of the population that limited its spread. Subsequently, by mid-year, intense inflationary pressures appeared after many years, partly due to the energy crisis caused by the sharp rise in demand for energy, in particular for natural gas.

In the midst of this volatile environment, the global economy managed to return to a functioning normality, with the result that global GDP in 2021 recovered faster than expected and increased by 5.9%, compared to an unprecedented fall of 3.1% in 2020.

International trade, benefiting from the strong recovery in global demand in 2021, has recovered significantly despite the effects of continuing problems on global supply chains and supply constraints.

Inflation increased globally in 2021, as a result of the high rise in energy prices and other inputs, as well as the difficulties of the overall supply to respond to the rapidly recovering final demand

The monetary policy in most economies around the world supported the recovery, while the expansionary fiscal policy continued internationally in 2021, but to a lesser extent than in 2020, in order to limit the effects of the pandemic and protect the most vulnerable groups in the population.

The expansionary fiscal policy continued internationally in 2021, but to a lesser extent than in 2020, in order to limit the effects of the pandemic and to protect the most vulnerable groups in the population. In many advanced economies such as the EU and the US, the fiscal policy mix has gradually started to shift from horizontal measures of emergency transfers, due to the pandemic, to more targeted actions and investments supporting sustainable development. On the contrary, in emerging and developing economies, low vaccination rates, combined with lower budgetary costs and higher borrowing costs, have reduced the flexibility of the fiscal policy and increased the risk of economic backwardness and inequality.

The biggest challenge the world community is facing in 2022 is undoubtedly the war between Ukraine and Russia, which is still raging, with already tragic consequences for human losses, large refugee flows and significant impacts on the world economy. It brings Europe face to face with yet another war, disrupts geopolitical balances internationally and causes a huge humanitarian crisis. The Russian war against Ukraine and the sanctions imposed have led to a further rise in energy prices, triggered a wave of price rises in food and commodities, exacerbated inflationary pressures and negatively affected the real disposable income of households, limiting private consumption and curbing the dynamics of growth in the EU. At the same time, the conflict is slowing down international trade and disrupting supply chains. But events continue to unfold. The severity of the disruption and the magnitude of its impact on the European and world economy will depend on how quickly the war will end, the duration of inflationary pressures and the reaction of monetary and fiscal policy at European level.

Another major risk is the rapid and massive expansion of global debt in the period 2020-21, the largest since World War II. The unprecedented financial support measures prevented the pandemic emergency from turning into a deep crisis, but inevitably accumulated high debts. Governments are now called upon to manage a huge public debt, the sharp rise of which, especially in the advanced world and to a lesser extent in the developing world, has been facilitated by historically low lending rates due to the coordinated action of the major central banks.

The projections of all international organizations for the course of the global and European economy are surrounded are beset by considerable uncertainties and growing risks, mainly related to the evolution of inflation and reinforced by the war in Ukraine. The pandemic remains, in the short term, an additional risk to the global economy, sustained by the extremely low vaccination coverage of the population of the least developed countries. Nevertheless, strong expectations for the availability of new vaccines this autumn and the high immunological coverage of the population of the developed world support the provision for the conversion of the pandemic into an endemic disease with a seasonal pattern that will not disrupt daily life and will be limited impact on social and economic activity. On the contrary, geopolitical confrontations and generalized uncertainty around the world make it difficult to normalize the functioning of supply chains, international transport and trade and further strengthen inflationary pressures, thereby weakening global growth dynamics.

In the Euro Zone, economic activity resumed vigorously in 2021, compensating for the 2020 losses due to the pandemic. Despite the weakening of the impact of the pandemic on the economic activity of the euro area during 2021, the emergence of new virus mutations in the second half of the year extended uncertainty and necessitated the reapplication of more stringent social distancing measures in some Member States. At the same time, problems in the global supply chains in 2021 were a major constraint on industrial production and trade in goods in the euro area, exacerbating inflationary pressures due to the inability to meet the recovering demand.

Eurozone GDP for the entire 2021 increased by 5.3%, compared to a decrease of 6.4% in 2020, reflecting the adaptation of businesses and households to the pandemic data, the gradual lifting of restrictive measures, and its coordinated response fiscal and monetary policy to support income and jobs. The problems in the global supply chains continued to be a major limiting factor in the recovery of manufacturing and foreign trade in goods, while exacerbating inflationary pressures.

Private consumption increased significantly during 2021, supported by policy measures and the improvement of consumer confidence and labor market perspectives. Overall, for 2021, private consumption increased by 3.5%, compared to a decrease of 7.9% in 2020.

The labor market in the eurozone has recorded positive rates under the influence of strengthening domestic demand and job support measures. Overall employment increased by 1.1% in 2021, compared to a decrease of 1.5% in 2020, while unemployment, as a labor force percentage, declined to 7.7% for the whole year compared to 8.0% in 2020.

2021 was characterized by strong inflationary pressures, mainly due to the significant rise in energy prices and the creation of bleak conditions of excessive demand or insufficient supply. At mid-year, inflation stood at 2.6% in 2021 compared to 0.3% in 2020.

In 2021 the total gross capital investment in the eurozone was supported by favorable financial conditions, rising demand and the gradual activation of the European NGEU recovery instrument and increased by 4.3%, compared to a decrease of 7.0% in 2020.

The Russian invasion of Ukraine is the biggest challenge for the European Union (EU) since the end of the Cold War. In the European economy the impact was immediate, with inflationary pressures appearing at a higher level and for a longer period than originally expected. The war and the consequent economic sanctions are causing the already high energy prices to skyrocket, given the very high energy dependence of the EU on Russia, as well as the prices of industrial metals and foodstuffs. By passing on the increased production and transport costs to the final prices, the general inflation is supplied, which has a negative effect on the real disposable income of the consumers. The cut in household consumption expenditure and the reduced profitability of businesses, coupled with the increased uncertainty of investors with the risk of cancellation or postponement of investment decisions, lead to a slowdown in economic growth.

Therefore, the main bet of economic policy today is how to prevent the conversion of a conjunctural inflation into a structural one, which would cause stagnant inflationary pressures in the European economy, and how to reduce the negative impact on the purchasing power of households and the profitability of businesses so as not to undermine the ongoing economic recovery.

Developments in Greece

Despite the prolonged uncertainty due to the successive outbreaks of the pandemic worldwide, but also to new challenges, such as the major natural disasters that hit the country last year and the recent energy crisis, the Greek economy has shown remarkable resilience, adaptability, flexibility. Currently, Greece is one of the countries in the eurozone with relatively faster recovery rates.

In 2021 GDP steadily increased by 8.3%, marking one of the best performances in the euro area, almost completely compensating for the sharp fall in real GDP by 9% in 2020. The driving force of growth in 2021 was the better than expected performance of tourism and the hospitality sector in general, the increase in exports of goods, the increase in disposable income, the strengthening of private consumption expenditure financed by the previous large increase in private savings, the increase in public consumption, the large increase in investment, both private and public, and the strong recovery of the labor market as reflected in the strong unemployment rate decline. However, the youth unemployment rate (under 25), although declining, remains very high, twice the European average. The recovery of industry and construction was also remarkable, while the large increase in imports of goods had a negative effect on the growth rate of GDP.

In 2021, inflation in Greece stood at 0.6%, mainly due to the rising of energy and foodstuffs prices. The aforementioned rate was clearly lower than the eurozone average.

For the second consecutive year, and after a long period of achieving primary surpluses, a general government primary deficit was recorded, which according to the estimates of the Bank of Greece amounted to 6.2% of GDP against a primary deficit of 7.1% GDP in 2020. The ratio of public debt to GDP is estimated to have declined from 206% to 193%.

A major development that has taken place recently is the upgrading of Greece's credit rating, fueled by the high growth rate of GDP in 2021 and the positive long-term economic outlook. The distance between the assessment of Greek government bonds and the acquisition of the investment grade has now been reduced to one level, which is a very important issue. It is vital for the further upgrading of the country's credit rating and the maintenance of favorable development prospects to restore the sustainability of public finances. The positive progress of tax revenue, as outlined in the last months of 2021 and the first two months of 2022, as a result of the rise in economic activity, the increase in private consumption and employment, and the gradual withdrawal of emergency support measures make possible the drastic reduction of the primary deficit in 2022.

The main objectives of the economic policy in 2022 should be to maintain its growth potential in order to expand the productive potential of the economy, and to continue the efforts to recover the investment grade, which should become a national objective.

After a long period of anemic growth before the outbreak of the pandemic, the Greek economy needs to follow a path of growth with the ultimate goal of convergence with the eurozone, changing its productive model and focusing on investment and openess. The experience drawn from the pandemic, but also from the current energy crisis, shows that strengthening of the production system, increase of investments and exports, improvement of the functioning of the public and private sector and strengthening of governance institutions should be the key policy priorities in the immediate future.

The verification of estimates for a stronger than expected recovery in 2021 and the projections for continued growth in 2022, albeit at a slower pace due to the effects of the war in Ukraine, put the economy on a new growth trajectory that is expected to be maintained in the coming years. They are also paving the way to end the emergency support measures and exit from the surveillance regime, facilitating the drastic reduction of the primary budget deficit and the gradual restoration of the budgetary balance. The Recovery and Resilience Mechanism is expected to give a significant boost to development potential. In particular, the National Recovery and Resilience Plan "Greece 2.0" moves for the first time in two new directions: firstly, the detailed and precise description of the investment projects to be financed with the resources of the Mechanism, and secondly, the direct function of the objectives of the Plan with the needs of the national economy, with the ultimate objective of its structural transformation.

A number of factors are essential to maintaining economic recovery:

- The continuation of the reforms, with their footprint already evident in areas such as the digital transformation of the state, including tax administration.
- The continuous reduction of unemployment thanks to labor market reforms.
- The increase in investment.
- The timely and effective use of the Recovery and Resilience Mechanism resources. The funds from the Recovery and Resilience Mechanism, the disbursement of which is expected to increase from 2022 to 2026, and the ESI Funds 2021-2027 will finance new public and private investment projects necessary for the completion of the transformation of the Greek economy, focusing on green and digital economy, specialization and social cohesion.
- The ongoing efforts to reduce non-performing loans (NPLs) and the sufficient liquidity, which will enable Greek banks to accelerate the granting of loans to businesses and households, thus contributing to the increase in GDP.

Although the data so far show that the economic damage of the pandemic in terms of real GDP will have been fully restored in 2022, thus eliminating the risk of permanent damage, the recovery of the Greek economy is taking place in an environment of extreme uncertainty on a global scale. The main challenges facing the Greek economy are summarized as follows:

- The possibility of an internationally dangerous global geopolitical confrontation that will prolong the pressures on international supply chains, international transport and inflation and increase uncertainty over the full recovery of tourist inflows.
- A temporary outbreak of the pandemic worldwide this autumn.
- The escalation and prolongation of the energy crisis.
- The formation of strong inflationary expectations from the finance units, with negative effects on consumption and investment.
- The increase in debt due to the pandemic and the additional borrowing to finance high deficits.

Greek Banking System

In 2021, the increase in bank financing to the private sector continued, with the help of the extremely favorable single monetary policy and the support from the programs of the Hellenic Development Bank (EBA) and the European Investment Bank Group (EIB).

The average annual growth rate of loans to large enterprises slowed down, while the corresponding rate for small and medium-sized enterprises accelerated. On the contrary, the net flow of credit to households remained negative, despite the fact that the disbursements of new housing and consumer loans increased.

The growth of private bank deposits, businesses and households continued in 2021, with a cumulative increase of 16.2 billion euros, lower than in 2020 (20.6 billion euros), but much higher than before the pandemic. The increase in household deposits is linked to an increase in disposable income, supported by fiscal support measures and an increase in employment, but also to a forced reduction in consumption due to the pandemic restrictive measures. The increase in business deposits is due to the increase in bank lending, direct State aid and recovery of receipts after the relaunch of the economy.

With respect to nominal bank interest rates, deposit rates as well as the bank lending rate for non-financial undertakings continued to decline. In contrast, the rate of bank mortgage for households remained almost unchanged, while the rate of consumer credit increased. In real terms, however, the cost of bank lending for both non-financial undertakings and households has plummeted as a result of rising inflation.

In terms of profitability, the Greek banks showed a slight decrease in their operating income in 2021, mainly due to the decrease in revenue from financial transactions. Net interest income remained stable, while operating expenses increased, affecting the results before projections and taxes. Furthermore, the impairment transactions of non-performing loans (NPLs) and the need to cover credit risk contributed to the recording of losses by banks.

In terms of capital adequacy, score in both the Common Share Capital Index and the Total Capital Index declined, mainly due to losses from sales and NPP securitization. Given the relatively low quality of banks' capital, as most of the total supervisory own funds concern deferred tax requirements (64%), combined with the impact of the International Financial Reporting Standard 9, but also the obligation to cover the Minimum Requirement for Equity and Eligible Liabilities (MREL) in the following years, qualitative and quantitative strengthening of the capital base and improvement of organic profitability is required.

According to the available data, the stock of non-performing loans (NPLs) of Greek banks decreased further in 2021, mainly through sales of loans amounting to EUR 27,5 billion by utilizing the government backed scheme for securitization of credit institutions, known as "Hercules". To a lesser extent, they also contributed through active management and government and bank support measures to facilitate borrowers in terms of repayment of their loans. By the end of December 2021, NPLs amounted to EUR 18.4 billion, down by EUR 28.8 billion compared to the end of December 2020 and by EUR 90.3 billion compared to March 2016, when they recorded the highest level. The aforementioned developments have led to a significant improvement in the quality of banks ’assets, reducing risk costs and increasing profit margins. However, the stock of NPLs as a percentage of total loans (12.8%) remains well above the EU average (2.1%). Furthermore, since the reduction of NPLs in the banks ’balance sheets was mainly achieved through securitization and transfer to investment funds, the amount of NPLs still exists in terms of the real economy and puts a large number of debtors out of the banking system.

However, in the current environment of changing international financial conditions, Greek banks have to face significant challenges, such as:

- The new NPLs that may arise after the expected withdrawal of the pandemic support measures, but also due to high inflation,
- The obligation to cover the Minimum Requirement of Equity and Eligible Liabilities.
- The need to absorb the impact of the International Financial Reporting Standard 9.
- The effects of climate change and the adoption of new digital technologies.

It is therefore clear that these challenges require constant vigilance and more intensive action on the part of the banks in order to further reduce the NPLs, strengthen their capital base and use the increased liquidity they have to finance the economy.

Merge with Pancreta Bank
In the midst of the volatile and highly competitive environment of the Greek banking system, which through the most severe crises it has faced in the last fifteen years, the strategy of the Bank of Chania has been radically reformed, having as its main interest the interests of its partners, its employees, its shareholders and the local community, always aiming to strengthen its position. In this regard, the Bank undertook a large number of actions, while constantly considering its options in the field of strategic partnerships.

Nowadays, Greek banks are required to play a central role in the recovery of the economy and the achievement of stable growth rates, assisting businesses and local community, focusing on the utilization of Community and national programs and the transition to a new green and digital economy. After many years, it is now realistic to achieve a significant and steady credit expansion.

At the same time, the main issue for banks is always the qualitative and quantitative strengthening of their capital base and the improvement of their operational profitability, so that they are able to face the major challenges of the Greek banking system and to be able to respond to the increasing number of strict supervisory requirements.

With these data, the present moment was considered as the most appropriate for the unification of the forces of the two largest Cretan banks, the Cooperative Bank of Chania and the Pancreta Bank and the creation of a large Greek bank, of nationwide range, which will play a leading role having the ability to change the prospects both locally and nationally.

The new reinforced scheme will be able to capitalize on a significant number of advantages such as:

- Achieving a critical size, which is intended to enhance access to new liquidity, the potential for expansion into new geographic markets, the exchange of know-how on products and services, and the acceleration of the digital transition.
- Significant increase in the capital base, facilitating access to new capital.
- Strengthening the position and market shares in the local market, where the new scheme is expected to take the lead.
- Ability to further utilize the complementary network of stores.
- Achieve a large number of functional synergies.

The Cooperative Bank of Chania
The domestic financial system has undergone a complete restructuring following the economic crisis and the subsequent recession that the Greek economy and households have experienced for nearly a decade. The Covid-19 pandemic crisis has once again tested the resilience of the country and the global community. However, our Bank has managed to successfully meet all the challenges and remain a powerful organism of the financial system. Guided by the relationship of trust with customers, responsibility and innovation, the Bank of Chania plans the future, contributing significantly to local development and economy.

With a vast portfolio of products and services that meet the new digital needs of customers, the shift towards a green economy, but also the excellent knowledge of the specific conditions of the local community, the goal remains to expand our cooperation with households and businesses, the continuous improvement of profitability and the expansion of the size of deposits.

In 2021, the Bank vigorously continued to implement digital transformation projects to upgrade its telecommunication systems, to replace its ATMs with more state-of-the-art machines, to upgrade the electronic banking platform (e-banking, mobile banking) and the electronic document archiving system, and for the development of new digital applications.

The coronavirus health crisis (COVID-19) has created a major factor of uncertainty and insecurity. The Cooperative Bank of Chania, following closely the developments since the beginning of the crisis, has taken immediately and decisively all the necessary measures to ensure the health of its employees and customers. At the same time, it quicly redefined its procedures by implementing a credible crisis management plan, ensuring its operational continuity and support to the Greek economy.

Thus, the Bank was able to continue uninterruptedly the implementation of its strategic plan with the aim of creating value for all stakeholders (shareholders, investors, customers, employees), contributing decisively to the recovery of the economy and the support of its customer base.

In 2021 Cooperative Bank of Chania continued to be firmly by the side of its private customers, participating in Community and national programs that provide facilities to those who have been financially affected by the COVID-19 pandemic.

The Bank's Network
The Bank's sales network currently has 23 branches in Crete and Attica.

The Bank's branch network in Crete consists of 15 points of sale and in particular 8 branches operate in the Prefecture of Chania, 1 branch operates in the Prefecture of Rethymno, 4 branches are located in the Prefecture of Heraklion and finally 2 branches are located in the Prefecture of Lassithi.

The branch network in Attica consists of 8 points of sale in Maroussi, Peristeri, Agia Paraskevi, Kallithea, Syggrou Avenue, Pagrati, Dragatsaniou, Glyfada.

Issuance of a bond loan
In 2021, a new seven-year bond loan of € 3.15 million was issued to strengthen the Bank's regulatory capital, with an interest rate of 3.5%.

Liquidity
The liquidity of the Bank during 2021 as well as in 2020, remained at high levels. The balance in central and other banks is € 173 million and € 219 million on 31.12.2021 and 31.12.2020 respectively.
The liquidity regulatory indicators remain high, exceeding the minimum 100% regulatory limits. Specifically, on December 31, 2021 the Liquidity Coverage Ratio (LCR) reached 400% and 417% for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted to 137% and 142% for the Group and the Bank respectively.

Capital Adequacy

On 31.12.2021, on a consolidated basis, the Capital Adequacy Ratio stood at 14.22% (2020: 14,6%) and on an individual basis at 14.25% (2020: 14.5%).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

Capital Conservation Buffer: It is expressed as a percentage of the total amount of exposures at risk and amounts to 2.50% as from 01/01/2019. According to EPATH (Credit and Insurance Committee) 353/10.04.2020 it has been considered null for the years 2020 and 2021.

Countercyclical capital buffer: Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261/2014. For 2020 and 2021, the Bank of Greece set the countercyclical capital buffer ratio at 0%, , based on the P.E.E. 186/18.03.2022.

Based on decision 353/10.04.2020 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.68% were set for the Bank for the year 2020 and for the year 2021.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2021 is 13.18%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Total Capital Adequacy Ratio
2020	8.00%	2.50%	2.68%	13.18%
2021	8.00%	2.50%	2.68%	13.18%

In addition, it should be noted that due to the significant contribution of deferred taxation to regulatory capital, the risk associated with the recognition of deferred tax assets (DTA & DTC, Article 27 and 27a of Law 4172/2013) is significant and associated with future tax rates and any adverse changes in the legal and regulatory framework governing the handling of deferred tax assets in regulatory capital.

Management of non-performing exposures (NPEs)

The Bank regularly reviews and adjusts its strategy of Non-performing exposures (NPEs) in the context of existing adverse financial conditions.
Over the past few years, the Bank has implemented a very important revision of the management and strategy of the NPEs, by relying on the Acts of the Executive Committee and the other instructions of the Bank of Greece and the European Banking Authority.

In particular, the Bank has implemented the following:
Organizational restructuring: Significant redesign with the creation of independent administrative structures and the implementation of thoroughly documented practices and policies on its non-performing portfolio.
• Development of flexible products for final arrangements and procedures.
• Human resources management with specialized teams and targeted training.
• Significant investment in IT equipment.

In the previous years, compliance with the operational objectives for Non-Performing Exposures was achieved in the context of the implementation of the SNPE , despite the unfavorable macroeconomic environment and difficulties in their management.
In September 2021, the Bank submitted to the Bank of Greece its strategic objectives for the NPEs/NPLs, which illustrate the Bank's targeting for the management and reduction of the NPEs by the end of 2024, foreseeing a reduction of them through the reformed Strategic Management of the NPEs of the Bank, despite the interim deterioration of their size provided for in the short term due to the current economic situation and the adoption of an even more prudent supervisory framework for default.
Specifically, the Bank's objective is to significantly reduce the NPEs and achieve an index of 20% by 2023 and of 17% by 2024, mainly through the sale and/or recognition through securitization of part of the Non-Performing Exposures stock in the period 2023-24.

Due to the application of the new definition of the Default which entered into force on 1/1/2021 in order to achieve full harmonization with the supervisory standards and in combination with the unfavorable conditions caused by the COVID-19 pandemic in 2020-21, NPEs and NPLs increased and amounted to € 233.8m. and € 208.8 million respectively. Respectively, NPEs and NPLs stood at 48% and 42.9% in 2021 compared to 43.9% and 34.9% in 2020.
The most important indicators for the management of the Bank's loans are actively monitored by the competent administrative bodies of the Bank in the context of the implementation of the Non-performing Strategy (SNPEs), as well as in the context of monitoring the relevant indicators and the limits set based on the Recovery Plan maintained. Note that the Recovery Plan prepared by the Bank includes the monitoring indicators that have been defined as the most important for the timely information of the Management as well as their limits, stress test scenarios for simulating extreme situations and finally the necessary recovery actions that the Bank may apply if any of those stress scenarios comes true.

The following Table shows the most important ratios for monitoring and managing the Bank's Loans.

Account/Ratio	2021	2020
€ / %		
Loans	486,763,043	477,324,132
Accumulated provisions	100.047.315	86,936,600
Loan Coverage Value	487,509,825	460,840,240
Non-performing exposures (NPEs)	233,758,340	209,636,932
of which: Non-performing loans (NPLs)	208,772,774	166,436,391
of which: Definitive delays	166,966,494	136,752,219
Non-performing exposures (NPEs)/Loans	48,02%	43,92%
Non-performing loans (NPLs)/Loans	42,89%	34,87%
Denounced/loans	34,30%	28,65%
Provisions/ Loans	20,55%	18,21%
Coverage of NPLs	39,39%	40,16%
Coverage of NPEs	39,28%	38,64%
Collateral / Loans	100,15%	96,55%
Collateral and provisions / Loans	120,71%	114,76%
Average loan interest rate	7,08%	7,06%

In view of implementing the operational objectives set for the management of the NPEs for 2022, the following were taken into account:

- the impact of the pandemic, despite the limitation measures of the NPEs implemented by the Bank in 2020, such as the State support programs and the special programs for the support of affected borrowers (moratoria), in line with the framework announced by the Government and the Hellenic Bank Association.
- the general forecasts for the course of the Greek economy and its key figures. Indicatively, due to the measures to halt the pandemic, a gradual improvement of the country's economic climate was expected from 2021 onwards.
- factors affecting the functioning of the banking system, such as the possibility of conducting electronic auctions, which has made the process more flexible for creditors, if the process is normalized in the light of the developments with respect to the pandemic.
- the effects of the current legal framework and in particular the acceleration of pending cases L.3869, the implementation of the new L.4738 Debt settlement and second chance provision, the adoption of the PEE 185/2021 for the establishment of a framework of obligations of the financial institutions, under the par. 2 and Article 209 of Law 4738/2020 etc., as well as the operation of special electronic platforms for the management of these cases.
- the administrative and managerial changes that were made to the management of the Bank's NPEs with the adoption of Act 175/2020 - Subject 2 on the adoption of the European Banking Authority's EBA/GL/2018/06 Guidelines, which replaced Decision 42/30.5.2014, with the adoption of all foreseen Policies and Procedures for the management of NPEs.
- other factors such as local conditions, internal infrastructures (information systems, personnel, organizational structure), as well as the experience so far from the management of the specific portfolio of the Bank's Non-Performing Loans.

Conversion of a deferred tax asset into a definitive and settled claim against the Greek State (Article 27a of Law 4172/2013)

The Bank, pursuant to the decision of the Extraordinary General Meeting of November 24, 2015, has been subject to the provisions of article 27A of Law 4172/2013 on the voluntary conversion of deferred tax claims, on temporary differences, into final and settled claims against the Greek State.

This guarantees the provisional tax claim (DTA) by converting it into a definitive claim (DTC), with a corresponding benefit in the calculation of regulatory capital. The maximum amount of deferred tax assets that can be converted into a final and outstanding claim on the Greek State amounts to approximately EUR 18.36 million.

Risk Management

The purpose of the Risk Management Unit is to design and implement risk management policies in accordance with the guidelines of the BoD of the Bank and the applicable instructions of the Supervisory Authorities (Bank of Greece, European Central Bank, European Banking Authority).

The main risks to which the Bank is exposed, according to the nature of its activities, are credit and operating risks.

- For credit risk, the Standardized Approach is followed, as provided for in Regulation (EU) No 575/2013 (Articles 111-133).
- For operational risk, the Key Indicator approach is followed, in accordance with Articles 315 - 316 of Regulation (EU) No 575/2013.

In addition to the above, the Bank is exposed to the following risks:

- Interest rate risk, which relates to the possibility of unexpected changes in interest income and / or expense as a result of changes in interest rates (due to the time mismatch in the adjustment of asset and liability interest rates).
  It is analyzed in two sub-risks:
  - The position risk: It is the risk associated with the change in the value of the assets due to a change in interest rates.
  - The income risk: It is the risk that refers to the likelihood that the bank's income will be reduced to an unforeseen or undesirable rate of interest.

  The Bank's exposure to this risk is relatively small, as almost all of the interest bearing assets and liabilities are at a floating rate.
- Liquidity risk, which is related to the Bank's potential inability to find sufficient cash to meet its liabilities. In order to manage this risk, the principles of liquidity risk management, as reflected in the Management's decisions, are applied in conjunction with the Liquidity Risk Appetite Strategy and the current framework setting out liquidity limits.
- Technological risk, which involves insufficiency of technology and information systems and failure of either one of these systems. Because of this, it is pointed out that there is a need to protect systems both from external factors and from intrinsic difficulties. The technological risk also includes the possibility that any of the Bank's investments in an information system or technological equipment fails to deliver the expected results.
- The legal risk is due to changes in the legal framework governing the operation of a credit institution, as well as the imposition of penalties and/or fines by supervisory and/or judicial authorities that, as a consequence, affect the profitability and alter the institution's position. For example, a court ruling on a particular bank may have broader implications in resolving important banking issues throughout the banking system. Particular attention should also be paid to the thorough understanding of the international supervisory framework, as it may be interpreted in various ways and a misunderstanding could lead to substantial fines. Finally, legal risk is also linked to the institution's reputation risk.
- Reputation risk, which is considered to be of particular importance and is associated with the risk of damage to the credit institution's reputation due to negative publicity. It is mainly caused by past failures of the institution's activities, management or products. This type of risk is considered to be crucial, because the damages it may cause cannot be accurately predicted and it is therefore necessary to monitor it continuously.
- Compliance risk which means the risk of legal or supervisory penalties, financial loss or impact on the reputation of the credit institution as a result of its failure to comply with laws, regulations and/or codes of conduct. Compliance risked faced by the Bank was limited as the Bank took all measures necessary to restrain it.
- Market risk, which consists of foreign exchange risk and trading risk. With respect to this type of risk, the following apply:

(a) With respect to the currency risk, in accordance with Rule 351 of Regulation (EU) No 575/2013, as long as the sum of the Bank's equity in foreign currency and gold does not exceed 2% of its total equity, the Bank does not create a capital requirement.

(b) With respect to the trading book risk, since the volume of its activities is extremely low and never exceeds 6% of its total assets, as set out in Article 94 of Regulation (EU) No 575/2013, the capital requirements for this risk are covered by the capital requirements created for credit risk.

Group - Developments

The following are the consolidated companies of the group and their respective voting rights:

	Group Voting percentage	
Subsidiary Name	**31.12.2021**	**31.12.2020**
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
BIOCHEM SA	79.88%	79.88%
ABEA	71.69%	71.69%
PRIME ENERGY GROUP SA	100.00%	100.00%

There were no significant changes in the Group structure in 2021.

Prospects for the Future

The main objectives of the Group for the year 2022 are:

- Strengthening the financial figures, the increase of the internal capital with the ultimate goal of increasing the price of the cooperative share, but also the total capital strengthening of the Group.
- Establishing strategic partnerships with a view to strengthening the Bank's position against competition.
- The effective management of the non-performing loan portfolio in order to reduce the relevant index and improve the quality of the Bank's portfolio.
- Handling and utilizing effectively the Group's real estate.
- Further strengthening the capital adequacy ratio on an individual and consolidated basis.
- Managing effectively the risks to which the Bank is exposed, maintaining a dynamic risk appetite framework.
- Maintaining deposits and liquidity reserves at high levels.
- Creating modern and flexible financial products and tools tailored to the needs of its customers.
- Strengthening the Bank's digital infrastructure, streamlining the products and services provided, and expanding digital transactions in order to provide excellent services and response to the needs and requirements of customers.
- Increasing the Bank's profitability through the improvement of the net interest margin and the retention of its operating expenses.
- Supporting the Bank's business customers to further develop their activities and increase their competitiveness through participation in actions and programs, as well as supporting in practice its customers, businesses and households.
- Actively and effectively supporting the local community, through actions of the Bank's corporate responsibility program, which create value for all.

Evolution of financial figures and profit and loss for 2021

Assets

The total assets of the Bank on 31.12.2021 decreased by approximately € 39.3m (€ 36m for the Group) compared to 31.12.2020, which is mainly due to the reduction of the available funds by approximately 45m (as a consequence of the reduction of deposits). Also, there was a decrease in the amount of loans after provisions of approximately € 3.7m and € 3m in the Bank and the Group respectively, while on the contrary there was an increase in the investment assets of approximately € 9.4m and € 12.4m. € to the Bank and the Group respectively.

Amounts in EUR	GROUP		BANK	
ASSETS	**2021**	**2020**	**2021**	**2020**
Cash and Balances with Central Banks	153,257,398	210,466,804	153,035,827	210,223,817
Due from banks	20,510,608	8,921,516	20,510,608	8,921,516
Loans (balance after provisions)	352,257,536	355,297,452	386,715,729	390,387,534
Deferred tax assets	23,261,813	23,723,956	23,198,152	23,614,744
Other assets	130,699,412	117,716,962	85,049,774	74,699,601
TOTAL ASSETS	**679,986,767**	**716,126,690**	**668,510,090**	**707,847,211**

Loans

The total loans (before provisions) of the Bank on 31.12.2021 amount to € 486.7m (€ 452.3m for the Group), compared to € 477.3m (€ 442.2m for the Group) in 2020, showing an increase of 2%. The Bank's cumulative provisions for 31.12.2021 amount to € 100m compared to € 86.9m in 2020. The coverage ratio of total loans to provisions of the Bank for 2021 reached 20,6% compared to 18,2% in the previous year.

Amounts in EUR	GROUP		BANK	
	2021	2020	2021	2020
Loans and amounts due to customers (total) less	452,302,969	442,231,931	486,763,043	477,324,134
Credit risk provisions	(100,045,433)	(86,934,479)	(100,047,314)	(86,936,600)
Loans (balance after provisions)	352,257,536	355,297,452	386,715,729	390,387,534

Liabilities

The Bank's deposits on 31.12.2021 amount to € 601.2m compared to € 641.9m in 2020, marking an increase of € 40.7m (a percentage change of 6.3%). The balance of the debt securities in issue amounts to € 17.3m.

Amounts in EUR	GROUP		BANK	
LIABILITIES	2021	2020	2021	2020
Deposits	601,990,506	642,736,360	601,244,042	641,958,625
Debt securities and other loans in issue	17,275,267	16,627,878	17,275,267	16,627,878
Other liabilities	12,832,716	9,967,931	5.307.110	4,996,926
TOTAL LIABILITIES	**632,098,489**	**669,332,169**	**623,826,419**	**663,583,429**

Equity

The number of Bank members at the end of 2021 amounted to 27,121 compared to 26,809 in 2020, while Equity stood at € 44.7m compared to € 44.3m in 2020, marking an increase of approximately 1%. At Group level, Equity amounts to € 47.9m compared to € 46.8m in 2020. Note that the Bank's Capital Adequacy Ratio for 2021 is 14.25%, while for the Group it is 14,22%, compared to the minimum regulatory ratio of 13.18%.

Amounts in EUR	GROUP		BANK	
EQUITY	2021	2020	2021	2020
Cooperative capital	19,789,647	19,739,325	19,789,647	19,739,325
Premium	85,100,926	84,897,961	85,100,926	84,897,961
Own cooperative capital	(303,890)	(303,890)	-	-
Reserves	4,578,402	4,365,903	4,349,262	4,368,402
Retained earnings	(64,783,415)	(64,724,684)	(64,556,165)	(64,741,905)
Non-controlling interests	3,506,608	2,819,907		-
TOTAL EQUITY	47,888,278	46,794,522	44,683,671	44,263,783
Capital Adequacy Ratio	**14.22%**	**14.6%**	**14.25%**	**14.5%**

Other ratios	GROUP		BANK	
	2021	2020	2021	2020
Average deposit interest rate	-	-	**0.40%**	0.85%
Loans/Deposits	-	-	**80.9%**	74.3%
Personnel expenses / Total operating expenses	**46.9%**	49.3%	**52.3%**	54.0%
Cost / Income	**52.7%**	67.5%	**53.6%**	53.1%

Financial results

Net interest income for the Bank stood at € 24.4m compared to € 21.4m in 2020 and at group level at € 21.5m from € 18m in 2020. Profit before tax amounted to € 0.6m compared to € 2.7m in 2020 for the Bank, while at Group level, pre-tax profit amounted to € 2.9m compared to € 0.6m in 2020. Net profit after tax stood at € 0.2m compared to € 1.8m in 2020 for the Bank and at Group level at € 0.9m compared to € 0.8m in 2020. Provisions to cover credit risk from loans and other receivables amount to approximately € 14.7m in 2021 compared to € 8.1m in 2020 for the Bank and the Group respectively.

Amounts in EUR	GROUP		BANK	
FINANCIAL RESULTS	**2021**	**2020**	**2021**	**2020**
Interest income	25,434,160	25,015,742	27,903,698	28,040,356
Net interest income	21,584,003	18,047,465	24,345,834	21,411,204
Net commission income	1,506,101	1,345,657	1,512,744	1,354,744
Operating expenses	(19,625,182)	(18,365,550)	(15,284,068)	(14,264,245)
Operating income	37,188,328	27,741,453	28,513,331	26,842,202
Provisions for credit risk	(14,702,590)	(8,101,493)	(14,702,351)	(8,100,003)
Impairment of fixed and other assets	27,438	(569,954)	-	2,430
Share of profits / (losses) from holdings in associated companies	-	(67,420)	-	-
Share of profits/(losses) from holdings in subsidiary companies	-	-	2,082,775	(1,728,387)
Profit/loss before taxes	**2,887,994**	**637,035**	**609,687**	**2,751,997**
Income tax	(1,972,739)	204,825	(424,410)	(966,413)
PROFIT/LOSS AFTER TAXES	**915,255**	**841,860**	**185,278**	**1,785,584**

Social contribution

Faithful to the vision of its founders, the Bank of Chania has been operating with an anthropocentric approach, planning and implementing consistently and continuously actions and programs that contribute to the well-being of society. Having its roots in Chania, it remains true to its place and offers its assistance to the local community, culture, environment and people. The Bank creates value for all stakeholders, actively supports the local community and supports its fellow citizens who are in need.

In light of the above, the Bank has been planning a targeted corporate social responsibility program for the past decade, which includes actions on three main pillars: Society, Culture, Environment.

Society

In 2021, the Cooperative Bank of Chania contributed to local society by donating to social organizations basic necessities worth a total of 73 thousand euros, while supporting sports and charities, cultural associations, monasteries, educational institutions, local authorities and theaters with the amount of 34 thousand euros.

Culture

The Bank, being particularly sensitive to cultural issues, supports cultural, ethnographic and philological associations, sports teams, educational institutions and local government initiatives. At the same time, it has undertaken the permanent maintenance of the archaeological site, which is located in the administration building and central store.

In addition, the Bank keeps alive the historical memory of its Group companies, through rich archival material, consisting of photographs, videos, documents and commemorative items.

Finally, it provides for free a meeting room in the administration building for the conduct of non-profit events, organized by various agencies.

Environment

Having as its main concern to protect the environment and to reduce its environmental footprint, the Bank implements environmentally friendly practices and technologies and ensures the reduction of the consumption of electricity, heating oil and water so that both the central administration building and its branches comply with the requirements of the energy efficiency regulations. In addition, the Bank is also active in the recycling of materials such as paper, plastic and batteries.

Labor issues

Beyond the three pillars, labor relations are of special importance for the Group.

The Group places great emphasis on the development of skills and professional progress of its human resources, and supports the employees in their lifelong training and education. It offers wages based on the national labor market, ensuring the observance of the respective labor laws. Finally, the Group ensures a healthy and safe working environment for its employees, and applies a non-discriminatory policy and respects the diversity of its employees.

INFORMATION ON A CONSOLIDATED BASIS FOR 2021 IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 6 OF LAW 4374/2016.

PAYMENTS FOR ADVERTISING-MARETINGK-PROMOTION ARTICLE 6 PAR. 1 OF LAW 4374/2016	
COMPANY NAME	**TOTAL**
BANKINGNEWS S.A.	8,400,00
CRETAPOST IKE (Private Company)	1,800.00
ONMEDIA DIGITAL SINGLE MEMBER S.A.	5,500.00
PRESS CENTER SINGLE MEMBER IKE	13,201,25
Q MEDIA L.T.D.	6,850,00
THE MEDIA WORKSHOP SINGLE MEMBER L.T.D	2,000.00
THE YELLOW TOOLBOX COMPANY OF INVESTMENT RELATIONS AND COMPANY COMMUNICATION	28,000,00
ZOFRANK HOLDINGS CO LIMITED	3,200,00
ANGELAKI KYRIAKI	1,200.00
AGGELAKIS N & I	250.00
AGONAS KRITIS IKE	10,590,00
ATHANASIADIS P. and Co. S.A. NAFTEMPORIKI	4,800.00
ALTER EGO MEDIA S.A.	5,000.00
ANASTASAKIS ANTONIOS	5,650,00
ANEZAKIS EPAMINONDAS	3,600.00
APOSTOLIDIS PUBLISHING & CO. OE	315.00
GIATSIS PANTELIS	4,630,00
GRAPHOTECHNIKI KRITIS COMMERCIAL COMPANY S.A.	3,988,69
PUBLICATIONS INVESTMENT S.A.	8,000,00
ZOUGLA GR S.A. MESON ILEKTRONIKON MAZIKIS EPIKOINONIAS	2,946,04
IKAROS RADIO TELEVISION ENTERPRISES S.A.	16,200,27
KALAITZAKIS PUBLISHING ENTERPRISES SA	2,197,41
KALLIOPI ILIA KOZYRI - MICHALIS ILIA KOZYRIS GEN. PARTNERSHIP	1,717,50
KAPITAL.GR S.A.	3,000.00
KARAGIANNAKI CHATZIDAKI GEORGIA	2,250,00
KARTSONAKIS EMMANOUIL STEFANOS	700.00
CYCLOS S.A.	4,250,06
MATHIOUDAKIS MEDIA PUBLISHING-ADVERTISING-COMMERCIAL-REAL ESTATE ENTERPRISES-S.A.	8,960,00
MARIS CHARALAMPOS	1,485,00
MAVRIDAKI ATHINA	1,800.00
METRON ARISTON PRESENTATION AND COMMUNICATION SERVICES SINGLE-MEMBER L.T.D.	8,400,00
MICHELARAKI ARGYRO	1,350,00
MOUNTAKIS ANTONIOS	1,815,00
A. MYKONIATIS PUBLICATIONS S.A.	4,131,00
DAOUDAKIS EMMANOUIL	1,676,00
OGH IGNOTA S.A. BUSINESS CONSULTING AND SERVICES COMPANY	10,089.23
OIKONOMAKOS VASILEIOS	100.00
PANCRETAN CULTURAL COMPANY	320.00
PANCRETAN RADIO TELEVISION S.A. TELEVISION AND RADIO PROGRAMS	28,508.81
PAPADAKIS MICHAIL	2,000.00
PAPADOGIANNAKI MARIA	3,600.00
PAPAKONSTANTI VASILIKI	2,000.00
PAPPAS DIMITRIOS	6,000.00
PARAENA SINGLE MEMBER L.T.D.	11,700,00
PATERAKIS GEORGIOS	805,00
PAVLIDAKIS MARKOS	2,400.00
PITSONIS VASILEIOS	350.00
FOOTBALL ASSOCIATION OF KISSAMIKOS PAE	10,000,00
RADIO TELEVISION SINGLE MEMBER LTD	6,000.00
SAMIOTI ELENI	3,000.00
SEGREDAKIS NIKOLAOS	3,300.00
SKOUTARAS B. SA	6,276,26
STAVRIDI ELENI	9,600.00
CRETAN TRADITION ASSOCIATION	320.00
PANCRETAN NEWS - CRETAN FESTIVALS ASSOCIATION OF CRETAN TRADITION	80,00
IN.KA. CORP. PE	500.00
TZILIVAKIS ILIAS	200.00
TELEOPTIKI RETHYMNOU SA	15,452,62
TRIPODAKIS GEORGIOS	3,000.00
TYPORGANOSI S.A.	3,774,00

HAZIRAKIS VASILEIOS	154,00
CHANIA LIVE TV GENERAL PARTNERSHIP	7,200.00
CHANIOTIKA NEA PUBLISHING PRINTING S.A.	18,471,69
CANDIA L.L.C.	2,320.00
FORUM AE	500.00
ANGELAKIS N. & I. CRETAN MEDIA L.T.D.	200.00
AGRO-FOOD JOINT VENTURE OF CRETE REGION	80,00
NATIONAL BANK S.A.	141,13
KARFOPOULOS P. - PAPADOULI D. OE	412,49
STRATAKIS IOANNIS	400.00
TYPORGANOSI S.A.	7,745,30
Grand Total	**346,853,75**

NOTE: The above amounts do not include charges to the Greek State (VAT, Special Television Tax) and in favor of third parties (ad tax) with a total value of € 82,688

DONATION-SPONSORSHIP-GRANT PAYMENTS Under ARTICLE 6 PAR. 2 OF LAW 4374/2016	
COMPANY NAME	**TOTAL**
2th SECONDARY SCHOOL OF CHANIA	57,00
4 DELTA ADVISORS I K E	749,95
TIME CONTROL SOLE MEMBER CAPITAL COMPANY	500,96
AGIOS GEORGIOS KATSIFARIANON	447.48
AGIOS NECTARIOS PACHIANOS	447.48
AGIOS FANOURIOS KALAMAKIOU	447.48
AGIOS CHARALAMPOS LENTARIANON	447.48
BROTHERHOOD OF ASIA MINOR OF THE PREFECTURE OF CHANIA "AGIOS POLYCARPOS"	300.00
ATHLETIC ASSOCIATION OF ORIONA CHANIA	450.00
ANNOUSAKIO FOUNDATION	1,342,44
EISODIA TIS THEOTOKOY-TRIMARTYRI	447.48
PARISH OF AGIA PARASKEVI OF PERIVOLIA	1,423,08
PARISH OF AG. KONSTANTINOS & ELENI OF NEA CHORA	447.48
PARISH OF ANARGYROS	447.48
PARISH OF METAMORPHOSI TOU SOTIROS PYRGOS PERIVOLION	447.48
EPAL ELEFTHERIOU VENIZELOU	6.00
ERYTHROS STAVROS OF CHANIA	447.48
HOLY DIOCESE OF ARKALOCHORIOS KASTELLIOS AND VIANNOS	5,000.00
HOLY MONASTERY OF SAINT TRIADOS OF TSAGKAROLOS	1,000.00
REGIONAL PRESS INSTITUTE	12,000.00
KAPI OF SOUDA	447.48
CENTRAL SOUP KITHEN OF KYDONIA AND APOKORON	1,342.44
MUNICIPAL GROCERY STORE OF APOKORONAS	2,684.88
MUNICIPAL GROCERY STORE OF PLATANIAS	9,262.25
MUNICIPAL GROCERY SHOP OF CHANIA	4,608.15
KYTTARO CHALEPAS	2,684.88
MARNELAKIS E GIANNIKAKI A LIMITED LIABILITY COMPANY	1,334,74
MASTORAKIS PETROS ZACHARIAS	499,99
MINOIKI HERAKLION SINGLE MEMBER IKE	199,99
ORTHODOX ACADEMY OF CRETE	500.00
CHARITY ASSOCIATION, CENTRAL SOUP KITHEN OF SPLANTZIA	1,342.44
SUPPORT GROUP SYNANTHROPOS	447.48
SPORTS CLUB "ASTERAS HALEPAS"	10.00
SOCIAL SOLIDARITY DEPARTMENT OF CHANIA	447.48
FRIENDS AND VOLUNTEERS OF THE MUNICIPAL NURSING HOME OF CHANIA	1,342.44
THE SMILE OF THE CHILD	497,34
CHANIA SPORTS CLUB	700.00
ANOUSAKEIO THEREPEFTIRIO HOLY DIOCESE KISAMOU & SELINOU	1,898.81
DIRECTORATE OF PRIMARY AND SECONDARY EDUCATION 2nd SPECIAL PRIMARY SCHOOL AND NURSERY OF CHANIA	699.00
SPECIAL FUNDS ACCOUNT OF RESEARCH OF CRETE UNIVERSITY	300.00
GREEK RED CROSS OF CHANIA	978.17
PARISH OF AG. GEORGIOS KATSIFARIANON	948.12
PARISH OF AG. KONSTANTINOS & ELENI OF NEA CHORA	964.43
PARISH OF AGIOS NIKOLAOS OF SPLANTZIA	985.04
PARISH AG.FANOURIOS KATO GALATAS	974.74
PARISH OF AG. CHARALABOS LENTARIANON	967.87

PARISH OF THE CATHEDRAL OF THE PRESENTATION	957.56
PARISH OF METAMORPHOSI TOU SOTIROS PYRGOS PERIVOLION	991.06
HOLY ARCHDIOCESE OF CRETE	2,593.58
HOLY DIOCESE OF LAMPIS & SFAKIA	516.66
CHURCH OF AG. ANARGYROI	985.90
CENTRAL SOUP KITCHEN OF THE HOLY DIOCESE OF KYDONIA AND APOKORON	3,425.40
MUNICIPAL GROCERY STORE OF CHANIA	6,114.66
MUNICIPAL GROCERY STORE OF APOKORONAS	6,554.36
MUNICIPAL GROCERY STORE OF PLATANIAS	7.63
NIKOLOPOULOS I. & CO. LP	5,300.00
ECUMENICAL PATRIARCHATE ARCHDIOCESE OF CRETE	877.06
OMADA STIRIXIS SYNANTHROPOS	967.87
KYTTARO CHALEPAS CULTURE & SPORTS ASSOCIATION	4,729,41
CHANIA HEALTH RUNNERS ASSOCIATION	2,000.00
CHARITY ASSOCIATION, CENTRAL SOUP KITHEN OF SPLANTZIA, CHANIA	1,867,89
DEPARTMENT OF SOCIAL SOLIDARITY OF CHANIA	973,88
THE SMILE OF THE CHILD	500.00
FILANTHTHOPOIC FOUNDATION OF CHANIA AGIOS NECTARIOS	981.61
FRIENDS & VOLUNTEERS OF THE MUNICIPAL NURSING HOME OF CHANIA AND THE ELDERLY	942.96
Grand Total	**105,212.39**
TOTAL PAYMENTS TO NATURAL PERSONS	**NET VALUE IN EUR**
NATURAL PERSONS (748 BENEFICIARIES)	**10,604,16**

Related Party Transactions

All transactions with related parties have been effected within the normal course of business of the Bank and under market terms and conditions. Further analysis is provided in Note 25 to the financial statements.

Annex: Alternative Performance Measurement Indicators

In accordance with the guidelines of the European Securities and Markets Authority (ESMA), in relation to the Alternative Performance Measurement Indicators (APMI), the following table provides detailed definitions and calculation of the relevant APMI which are included in the Annual Report of the Board of Directors for 2021.

Ratio	Definition
Loans	Loans and amounts due to customers at the end of the year
Loans	Loans and amounts due to customers at the end of the year
Deposits	Liabilities to customers at the end of the year
Accumulated provisions for credit risk	Accumulated provisions for impairment of loans and amounts due to customers at the end of the year
Non-performing loans (NPLs)	Loans and advances to customers in arrears > 90 days at the end of the year
Non-performing exposures (NPEs)	According to the definitions of the European Banking Authority (IBA, ITS Technical Standards), exposures that meet one or both of the following conditions are defined as non-performing: a. Material exposures which are more than 90 days past-due b. UTP Exposures whose full collection is uncertain without realizing a collateral, regardless if there is any overdue amount or overdue days
Interest-bearing assets	Average cash and cash equivalents at the beginning and end of the year in central banks, claims on financial institutions and loans and advances to customers
Basic own funds (CET1)	Basic own funds at the end of year, as defined by Regulation (EU) No 575/2013, with gradual application of the provisions to risk-weighted Assets
Capital adequacy (total capital +ratio)	Total own funds at the end of year, as defined by Regulation (EU) No 575/2013, with gradual application of the provisions to risk-weighted Assets
Operating expenses	Staff salaries and expenses plus general administrative and other operating expenses plus depreciation of tangible fixed and intangible assets
Operating income	Net interest income plus net commission income for the year
Loans/Deposits	Loans and amounts due to customers before accumulated provisions for credit risk to liabilities to customers at the end of the year
Non-performing exposures (NPEs)	Non-performing exposures (NPEs) to loans and advances to customers with accumulated provisions for end-of-year credit risk
Non-performing loans coverage (over 90 days overdue)	Accumulated provisions for credit risk on loans and advances to customers over 90 days overdue at the end of the year

Coverage of non-performing exposures (NPEs)	Accumulated provisions for credit risk to end-of-year non-performing exposures (NPEs)
Definitive arrears/loans	Loans for which the Bank considers almost certain that they will not be services to loans and advances to customers with accumulated provisions for end-of-year credit risk
Provisions/ Loans	Accumulated credit risk provisions for loans and advances to customers before cumulated provisions for end-of-year credit risk
Covers / Loans	Loan to Loan Coverage Value and Customer Receivables before accumulated provisions for end-of-year credit risk
Collateral and provisions / Loans	Loan value and accumulated credit risk provisions for loans and advances to customers before cumulated provisions for end-of-year credit risk
Average loan interest rate	Interest and equity income of period loans, for period-to-average loan basis. The average of non-performing loans of the period is calculated at the net amount of provisions
Average deposit interest rate	Interest and equity for period-to-average deposit basis
Interest margin	Average loan interest rate less average deposit rate for the period
Net interest margin	Net interest income on interest-bearing assets
Margin effectiveness	Interest-bearing assets by interest rate margin for the period
Margin effectiveness / Net interest income	Interest-bearing assets to net interest income for the period
Cost / Income	Operating Expenses to operating income for the period
Operating income before provisions	Operating income less operating expenses for the period

Chania, 6 June 2022
The Chairman of the BoD

Michael Marakakis

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		Group		Bank	
Amounts in EUR	**Note**	**31.12.2021**	**31.12.2020***	**31.12.2021**	**31.12.2020***
ASSETS					
Cash and Balances at Central Banks	11	153,257,398	210,466,804	153,035,827	210,223,817
Due from banks	11	20,510,608	8,921,516	20,510,608	8,921,516
Financial assets at fair value through profit or loss	12	1,365,779	896,839	1,365,779	896,839
Financial assets at amortized cost	13	1,044,865	1,001,646	1,044,865	1,001,646
Loans and advances to customers (after provisions)	4	352,257,536	355,297,452	386,715,729	390,387,534
Investments in subsidiaries	26	-	-	10,659,452	8,576,677
Holdings in associates	27	47,534	112,114	-	-
Investment portfolio	14	10,693,574	4,945,398	3,187,078	3,060,015
Property and equipment	16	23,404,398	23,952,711	12,598,249	12,762,046
Investment properties	17	46,977.925	34,601.906	27,630.897	18,232.000
Intangible assets	15	2,877.976	2,384.042	2,203.639	1,609.094
Deferred tax assets	18	23,261,813	23,723,956	23,198,152	23,614,744
Other assets	19	44,287.363	49,822.306	26,359.817	28,561.285
Total assets		**679,986,767**	**716,126,690**	**668,510,090**	**707,847,211**

LIABILITIES					
Due to other banks	20	2,683,768	26,271,056	1,566,381	25,141,494
Due to customers	20	599,306,738	616,465,304	599,677,662	616,817,131
Debt securities and other loans in issue	24	17,275,267	16,627,878	17,275,267	16,627,878
Deferred tax liabilities	18	2,393,448	929,183	-	-
Other liabilities	21	10,439,268	9,038,747	5,307,110	4,996,925
Total Liabilities		**632,098,489**	**669,332,168**	**623,826,419**	**663,583,429**
EQUITY					
Cooperative capital	23	19,789,647	19,739,325	19,789,647	19,739,325
Cooperative capital premium	23	85,100,927	84,897,961	85,100,926	84,897,961
Less: Own cooperative capital	23	(303,890)	(303,890)	-	-
Other Reserves	29	4,578,402	4,365,903	4,349,262	4,368,402
Retained earnings		(64,783,415)	(64,724,684)	(64,556,165)	(64,741,905)
Shareholders' equity of the Bank		**44,381,670**	**43,974,615**	**44,683,671**	**44,263,783**
Non-controlling interests		3,506,608	2,819,907	-	-
Total Equity		**47,888,278**	**46,794,522**	**44,683,671**	**44,263,783**
Total liabilities and equity		**679,986,767**	**716,126,690**	**668,510,090**	**707,847,211**

* As restated due to change in accounting policy IAS 19

Chania, 6 June 2022

The notes on pages 40 to 135 constitute an integral part of the financial statements

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

		Group		Bank	
Amounts in EUR	**Note**	**31.12.2021**	**31.12.2020***	**31.12.2021**	**31.12.2020***
Interest and similar income		25,434,160	25,015,742	27,903,698	28,040,356
Interest and similar expenses		(3,850,157)	(6,968,276)	(3,557,863)	(6,629,151)
Net interest income	5	**21,584,003**	**18,047,465**	**24,345,834**	**21,411,204**
Fee and commission income		2,476,243	1,787,286	2,482,886	1,796,374
Fee and commission expenses		(970,142)	(441,630)	(970,142)	(441,630)
Net commission income	6	**1,506,101**	**1,345,657**	**1,512,744**	**1,354,744**
Net income from non-banking operations	30	4,842,317	4,326,544	345,673	315,275
Dividend income		92,955	188,177	84,860	181,802
Net trading income/(loss) from investment securities	14	6,092,886	253,684	566,353	300,452
Other net income	17	3,070,067	3,579,925	1,657,867	3,278,725
Total Income		**37,188,328**	**27,741,453**	**28,513,331**	**26,842,202**
Personnel expenses	7	(9,205,650)	(9,070,477)	(7,996,546)	(7,706,824)
Depreciation of fixed and intangible assets	15,16	(2,392,710)	(2,281,656)	(1,463,942)	(1,306,043)
General administrative and other operating expenses	9	(8,026,822)	(7,013,418)	(5,823,580)	(5,251,378)
Total Expenses		**(19,625,182)**	**(18,365,550)**	**(15,284,068)**	**(14,264,245)**
Credit impairment provision	10	(14,702,590)	(8,101,493)	(14,702,351)	(8,100,003)
Impairment of fixed and other assets		27,438	(569,954)	-	2,430

Share of profits / (losses) from holdings in associated companies		-	(67,420)	-	-
Share of profits/(losses) from holdings in subsidiary companies		-	-	2,082,775	(1,728,387)
Profit (loss) before tax		**2,887,994**	**637,035**	**609,687**	**2,751,997**
Income tax	31	(1,972,739)	204,825	(424,410)	(966,413)
Profit/(loss) after tax		**915,255**	**841,860**	**185,278**	**1,785,584**
Attributable to:					
Non-controlling interests		687,258	(494,608)	-	-
Bank Partners		227,997	1,336,468	185,278	1,785,584

* As restated due to change in accounting policy IAS 19

Chania, 6 June 2022

The notes on pages 40 to 135 constitute an integral part of the financial statements

COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

Amounts in EUR	**31.12.2021**	**31.12.2020***	**31.12.2021**	**31.12.2020***
Profit (loss) for the period	915,255	841,860	185,278	1,785,584
Other comprehensive income/(expenses) for the period after tax	(21,114)	-	(19,139)	(16,981)
Actuarial income/expense in the statement of comprehensive income after taxes	-	(20,687)	-	-
Total comprehensive income / (expenses) for the period	**894,142**	**821,173**	**166,138**	**1,768,603**
Attributable to:				
Non-controlling interests	686,700	(495,814)	-	-
Bank Partners	**207,442**	**1,316,987**	**166,138**	**1,768,603**

* As restated due to change in accounting policy IAS 19

Chania, 6 June 2022

The notes on pages 40 to 135 constitute an integral part of the financial statements

COOPERATIVE BANK OF CHANIA

STATEMENT OF CHANGES IN EQUITY - GROUP FOR THE PERIOD ENDING 31 DECEMBER 2021

Amounts in EUR	Cooperative capital	Cooperative capital premium	Own cooperative shares	Reserve of available-for-sale securities	Defined benefit plans*	Other Reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as of 31 December 2019 and 1 January 2020	**19,714,140**	**84,796,381**	**(303,890)**	**-**	**67,502**	**4,385,383**	**(66,194,759)**	**42,464,757**	**3,311,065**	**45,775,821**
Impact of change of accounting policy IAS 19					(67,502)		358,016	290,514	4,657	295,172
Balance on 1 January 2020 * adjusted to the impact of the change in actuarial policy	**19,714,140**	**84,796,381**	**(303,890)**	**-**		**4,385,383**	**(65,836,743)**	**42,755,271**	**3,315,722**	**46,070,993**
Other comprehensive income / (expenses) for the period	-	-	-	-	(19,480)	-		**(19,480)**	(1,207)	**(20,687)**
Profit (loss) for the period	-	-	-	-	-	-	1,336,468	**1,336,468**	(494,608)	**841,860**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**(19,480)**	**-**	**1,336,468**	**1,316,987**	**(495,814)**	**821,173**
Increase (decrease) of cooperative capital	25,185	101,580	-	-	-	-	-	**126,765**	-	**126,765**
Losses from absorption of subsidiaries							(226,429)	**(226,429)**		**(226,429)**
Other movements	-	-	-	-	-	-	2,021	**2,021**	-	**2,021**
Balance as of 31 December 2020 and 1 January 2021*	**19,739,325**	**84,897,961**	**(303,890)**	**-**	**(19,480)**	**4,385,383**	**(64,724,684)**	**43,974,615**	**2,819,907**	**46,794,522**
Other comprehensive income / (expenses) for the period	-	-	-	-	(20,556)	-	-	**(20,556)**	(557)	**(21,114)**
Profit (loss) for the period	-	-	-	-	-	-	227,997	**227,997**	687,258	**915,255**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**(20,556)**	**-**	**227,997**	**207,442**	**686,700**	**894,142**
Increase (decrease) of cooperative capital	50,322	202,965	-	-	-	-	-	**253,287**	-	**253,287**
Other movements from absorption of subsidiaries	-	-	-	-	-	**233,056**	(233,056)	-	-	-
Other movements	-	-	-	-	-	-	(53,673)	**(53,673)**	-	**(53,673)**
Balance as at 31 December 2021	**19,789,647**	**85,100,927**	**(303,890)**	**-**	**(40,037)**	**4,618,439**	**(64,783,415)**	**44,381,670**	**3,506,608**	**47,888,278**

* As restated due to change in accounting policy IAS 19

Chania, 6 June 2022

The notes on pages 40 to 135 constitute an integral part of the financial statements

COOPERATIVE BANK OF CHANIA

STATEMENT OF CHANGES IN EQUITY - BANK FOR THE PERIOD ENDING 31 DECEMBER 2021

Amounts in EUR	Cooperative capital	Cooperative capital premium	Reserve of available-for-sale securities	Defined benefit plans*	Other Reserves	Retained earnings	Total
Balance as of 31 December 2019 and 1 January 2020	**19,714,140**	**84,796,381**	**-**	**47,136**	**4,385,383**	**(66,404,441)**	**42,538,600**
Impact of change of accounting policy IAS 19				**(47,136)**		**329,608**	**282,472**
Balance on 1 January 2020 after the change in accounting policy*	**19,714,140**	**84,796,381**	**-**	**-**	**4,385,383**	**(66,074,833)**	**42,821,072**
Other comprehensive income / (expenses) for the period	**-**	**-**	**-**	**(16,981)**	**-**	**-**	**(16,981)**
Profit (loss) for the period	-	-	-		**-**	**1,785,584**	**1,785,584**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**(16,981)**	**-**	**1,785,584**	**1,768,603**
Increase (decrease) of cooperative capital	25,185	101,580	-	-	**-**	**-**	**126,765**
Other movements from absorption of subsidiaries	-	-	-	-	-	**(452,656)**	**(452,656)**
Balance as of 31 December 2020 and 1 January 2021*	**19,739,325**	**84,897,961**	**-**	**(16,981)**	**4,385,383**	**(64,741,905)**	**44,263,783**
Other comprehensive income / (expenses) for the period	-	-	-	(19,139)	**-**	**-**	**(19,139)**
Profit (loss) for the period	-	-	-	-	**-**	**185,278**	**185,278**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**(19,139)**	**-**	**185,278**	**166,138**
Increase (decrease) of cooperative capital	50,322	202,965	-	-	**-**	**-**	**253,287**
Other movements	-	-	-	-	**-**	**463**	**463**
Balance as at 31 December 2021	**19,789,647**	**85,100,926**	**-**	**(36,121)**	**4,385,383**	**(64,556,165)**	**44,683,671**

* As restated due to change in accounting policy IAS 19

Chania, 6 June 2022

The notes on pages 40 to 135 constitute an integral part of the financial statements

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020***	**31.12.2021**	**31.12.2020***
Profit / (loss) before tax	**2,887,994**	**637,035**	**609,687**	**2,751,997**
Adjustments for:				
Non-cash income statement items and other adjustments:				
Depreciation of real estate property, tangible and intangible assets	2,392,710	2,281,656	1,463,942	1,305,967
Other operating results	(2,681,144)	(2,614,017)	(1,602,480)	(2,918,402)
Other fixed assets account movements (net fixed assets write-offs)	-	60,984	-	-
Credit impairment and other provisions	14,702,351	8,101,492	14,702,351	8,100,003
Provisions for staff benefits	65,929	58,384	59,781	52,912
Valuation adjustments of financial assets at fair value through profit or loss	(6,122,535)	(254,095)	(596,002)	(301,659)
Dividend income	(92,955)	(188,177)	(84,860)	(181,802)
Equity method (earnings) / losses	-	67,420	(2,050,202)	1,728,387
Net (increase)/decrease in accrued interest on operating activities	-	-	-	-
Other adjustments	(20,137)	(123,506)	7,762	-
Net (increase)/decrease in operating receivables:				
Financial assets at amortized cost	(43,219)	(534)	(43,219)	(534)
Due from banks	(11,589,091)	(1,082,465)	(11,589,091)	(1,082,465)
Financial assets at fair value through profit or loss	-	2,211	-	2,211
Loans and advances to customers	(10,142,775)	(29,536,261)	(13,910,886)	(32,976,713)
Other assets	(5,233,123)	(5,291,324)	(2,408,742)	(5,270,115)
Net (increase)/decrease in operating liabilities:				
Due to banks	(23,587,288)	(2,242,422)	(23,575,113)	(2,117,758)
Due to customers	(17,158,566)	79,211,052	(17,139,469)	79,116,941
Liabilities from Personnel Benefits	(14,148)	(96,272)	-	-
Income tax paid	-	(36,789)	-	-
Other liabilities	627,560	(281,706)	(376,616)	(255,284)
Net cash flow from operating activities	**(56,008,438)**	**48,672,666**	**(56,533,157)**	**47,953,687**
Cash flow from investment activity				
Participation in (increase)/decrease in equity of associated companies / subsidiaries	(29,000)	(9,184)	(32,572)	-
Acquisition of subsidiaries, other than cash and cash equivalents acquired	-	-	-	-
Dividends received from portfolio of equity method investments	92,955	188,177	84,860	181,802
Acquisition of real estate property, tangible and intangible assets	(2,159,911)	(3,067,518)	(1,603,109)	(2,432,466)
Acquisition of investment portfolio	(1,000)	(30)	-	-
Net cash flows from investing activities	**(2,096,956)**	**(2,888,555)**	**(1,550,821)**	**(2,250,664)**
Cash flow from financing activity				
Increase in cooperative capital	253,287	126,765	253,287	126,765
Proceeds from the issue of debt securities	3.150.000	4,000,000	3,150,000	4,000,000
Termination of credit instruments	(2,500,000)	(9,000,000)	(2,500,000)	(9,000,000)
Net cash flow from financing activities	**(903,287)**	**4,873,235**	**903,287**	**(4,873,236)**
Effect of foreign exchange rate changes in cash and cash equivalents	(7,299)	-	(7,299)	-
Net increase / (decrease) of cash and cash equivalents	**(57,209,406)**	**40,910,875**	**(57,187,990)**	**40,829,787**
Cash and cash equivalents at the beginning of the fiscal year	210,466,804	169,555,929	210,223,817	169,394,030
Cash and cash equivalents at the end of the fiscal year	**153,257,398**	**210,466,804**	**153,035,827**	**210,223,817**

* As restated due to change in accounting policy IAS 19

Chania, 6 June 2022

The notes on pages 40 to 135 constitute an integral part of the financial statements

NOTES TO THE CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 01.01.2021 - 31.12.2021

NOTE 1: GENERAL INFORMATION

The Cooperative Bank of Chania Cooperative of Limited Liabilities (with the distinctive title COOPERATIVE BANK OF CHANIA, hereinafter "the Bank") was established during the founding meeting of August 18, 1993 purely as a cooperative of limited liabilities. The Cooperative was authorized as a credit institution by Decision No 560 / 18-9-1995 (issue 14) of the Bank of Greece's Committee on Monetary and Credit Affairs, and since then the Cooperative has been operating as a Credit Institution, pursuant to the provisions originally of Law 2076/1992, subsequently of Law 3601/2007 and currently of Law 4261/2014, in conjunction with the provisions of Presidential Decree 2258/1993 and the provisions of the decisions of the relevant committees of the Bank of Greece. In order to become a member of the Cooperative, one has to buy at least one cooperative share, the fair value of which is determined by its nominal value plus a surplus value determined by the Bank's financial position. Based on its Articles of Association, the seat of the Cooperative is the Municipality of Chania, and since 2007 it is located in privately owned buildings at 28-32, Eleftheriou Venizelou Street, in the center of the city of Chania (GEMI No 123088758000, tel. (+30) 28210 25500), www.chaniabank.gr).

Pursuant to Clauses 2 and 3 of its Articles of Association and by decision of the Board of Directors, the Bank may establish branches, agencies, offices or other premises anywhere, as well as appoint or revoke representatives in any city of Greece or abroad, as long as it meets the requirements of law. During its twenty years of operation, the Bank has developed a number of attractive banking products that meet the requirements of its members/customers, while in line with its subsidiaries (hereinafter referred to as the "Group"), it seeks to consolidate its position in the banking market, but also to enhance the local economy.

The Group's business operations consist of flexible (adjusted to the needs of its customers) business and retail lending and deposit products, other banking operations (foreign exchange operations and remittances), brokerage services and real estate management. The Group operates throughout Crete but also in Attica, with the prospect of expanding its network to the rest of Greece.

The composition of the Board of Directors at the date of approval of the Financial Statements is as follows:

- Michael Marakakis son of Emmanuel, Chairman of the BoD
- Georgios Androulakis son of Charalambos, Vice-Chairman of the BoD
- Alexandros Perivolakis son of Vasilios
- Georgios Farantakis son of Iosif, Treasurer
- Emmanuel Apostolakis son of Apostolos, Executive Member
- Apostolakis Spyridon son of Nikolaos, Executive Member
- Anastasios Vamvoukas son of Dimitrios, Executive Member
- Koulirakis Ioannis son of Efstratios, Non-Executive Member
- Ioannis Malandrakis son of Ioannis, Independent Non-Executive Member
- Georgios Baourakis son of Michael, Independent Non-Executive Member
- Dimitrios Dokakis son of Vasilios, Executive Member
- Maria Sperelaki daughter of Theodoros, Independent Non-Executive Member
- Chiotakis Joseph son of Joseph, Independent Non-Executive Member

The financial statements are subject to the approval of the Annual General Meeting of the Bank's partners. These financial statements have been approved by the Bank's Board of Directors on June 6, 2022.

NOTE 2: SUMMARY OF KEY ACCOUNTING POLICIES

2.1 Basis of presentation

The Group's consolidated financial statements and the Bank's separate financial statements for the year ended 31 December 2021 (the 'financial statements') have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union (the "EU").

Amounts are rounded to Euro (unless otherwise stated). The comparative figures, where necessary, were adjusted to match the presentation of the current year.

The financial statements have been prepared under the historical cost principle, except for investment portfolio, financial assets at fair value through profit and loss and investment properties, which are measured at fair value.

The preparation of the financial statements in accordance with the IFRS requires the conduct of estimates and assumptions that may affect both the accounting balances of assets and liabilities and the required disclosures for contingent receivables and payables, as well as the amounts of income and expenses recognized during the reporting period. The above estimates and assumptions apply mainly to the following areas: impairment provisions for loans and other receivables, equity investments and financial assets at fair value through profit or loss, investment property valuation, impairment testing goodwill and intangible assets from business combinations, control of the ability to recover deferred tax assets receivables, assessment of post-employment employee benefit liabilities and liabilities pending litigation and open tax years. Future results may differ from those published.

Areas with a higher degree of estimation and assumption or complexity, or areas where assumptions and estimates have a significant effect on the consolidated financial statements, are set out in Note 3.

2.2 Going concern

The financial statements of the Bank and the Group as of 31.12.2021 were prepared on the basis of the going concern principle. The adoption of this principle was deemed appropriate by the Bank's Management, taking into account the following:

Macroeconomic environment:

In 2021 an unstable environment, the global economy managed to return to a functioning normalcy, with the result that global GDP in 2021 recovered faster than expected and increased by 5.9%, compared to an unprecedented drop of 3.1% in 2020.The international trade, benefiting from the strong recovery of global demand in 2021, recovered significantly despite the effects of the continuing problems on global supply chains and supply constraints. Inflation rose worldwide in 2021 as a result of the high rise in energy prices and other inputs, as well as the difficulties of the overall supply to respond to the rapidly recovering final demand. The expansionary fiscal policy continued internationally in 2021, but to a lesser extent than in 2020, in order to limit the effects of the pandemic and to protect the most vulnerable groups in the population.

The projections of all international organizations for the course of the global and European economy are surrounded are beset by considerable uncertainties and growing risks, mainly related to the evolution of inflation and reinforced by the war in Ukraine. The pandemic remains, in the short term, an additional risk to the global economy, sustained by the extremely low vaccination coverage of the population of the least developed countries. Nevertheless, strong expectations for the availability of new vaccines this autumn and the high immunological coverage of the population of the developed world support the provision for the conversion of the pandemic into an endemic disease with a seasonal pattern that will not disrupt daily life and will be limited impact on social and economic activity. On the contrary, geopolitical confrontations and generalized uncertainty around the world make it difficult to normalize the functioning of supply chains, international transport and trade and further strengthen inflationary pressures, thereby weakening global growth dynamics.

In the Euro Zone, economic activity resumed vigorously in 2021, compensating for the 2020 losses due to the pandemic. Despite the weakening of the impact of the pandemic on the economic activity of the euro area during 2021, the emergence of new virus mutations in the second half of the year extended uncertainty and necessitated the reapplication of more stringent social distancing measures in some Member States. At the same time, problems in the global supply chains in 2021 were a major constraint on industrial production and trade in goods in the euro area, exacerbating inflationary pressures due to the inability to meet the recovering demand.

Eurozone GDP for the entire 2021 increased by 5.3%, compared to a decrease of 6.4% in 2020, reflecting the adaptation of businesses and households to the pandemic data, the gradual lifting of restrictive measures, and its coordinated response fiscal and monetary policy to support income and jobs.

In Greece, in 2021, GDP steadily increased by 8.3%, marking one of the best performances in the euro area, almost completely compensating for the sharp fall in real GDP by 9% in 2020. The driving force of growth in 2021 was the better than expected performance of tourism and the hospitality sector in general, the increase in exports of goods, the increase in disposable income, the strengthening of private consumption expenditure financed by the previous large increase in private savings, the increase in public consumption, the large increase in investment, both private and public, and the strong recovery of the labor market as reflected in the strong unemployment rate decline. However, the youth unemployment rate (under 25), although declining, remains very high, twice the European average. The recovery of industry and construction was also remarkable, while the large increase in imports of goods had a negative effect on the growth rate of GDP. In 2021, inflation in Greece stood at 0.6%, mainly due to the rising of energy and foodstuffs prices. The aforementioned rate was clearly lower than the eurozone average.

For the second consecutive year, and after a long period of achieving primary surpluses, a general government primary deficit was recorded, which according to the estimates of the Bank of Greece amounted to 6.2% of GDP against a primary deficit of 7.1% GDP in 2020. The ratio of public debt to GDP is estimated to have declined from 206% to 193%.

Capital adequacy:

On 31.12.2021, on a consolidated basis, the Capital Adequacy Ratio stood at 14.22% (2020: 14,6%) and on an individual basis at 14.25% (2020: 14.5%).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

Capital Conservation Buffer: It is expressed as a percentage of the total amount of exposures at risk and amounts to 2.50% as from 01/01/2019. According to EPATH (Credit and Insurance Committee) 353/10.04.2020 it has been considered null for the years 2020 and 2021.

Countercyclical capital buffer: Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261/2014. For 2020 and 2021, the Bank of Greece set the countercyclical capital buffer ratio at 0%, , based on the P.E.E. 186/18.03.2022.

Based on decision 353/10.04.2020 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.68% were set for the Bank for the year 2020 and for the year 2021.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2021 is 13.18%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Total Capital Adequacy Ratio
2020	8.00%	2.50%	2.68%	13.18%
2021	8.00%	2.50%	2.68%	13.18%

In addition, it should be noted that due to the significant contribution of deferred taxation to regulatory capital, the uncertainty associated with the recognition of deferred tax assets (DTA & DTC, Article 27 and 27a of Law 4172/2013) is significant and associated with future tax rates and any adverse changes in the legal and regulatory framework governing the handling of deferred tax assets in regulatory capital.

Liquidity:

The liquidity of the Bank during 2021 as well as in 2020, remained at high levels, keeping available to central and other banks € 173 million and € 219 million on 31.12.2021 and 31.12.2020 respectively.
The liquidity regulatory indicators remained high, exceeding the minimum 100% regulatory limits throughout 2021. Specifically, on December 31, 2021 the Liquidity Coverage Ratio (LCR) reached 400% and 417% for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted to 137% and 142% for the Group and the Bank respectively.

Management of non-performing exposures (NPEs):

The Bank regularly reviews and adjusts its strategy of Non-performing exposures (NPEs) in the context of existing adverse financial conditions.
Over the past few years, the Bank has implemented a very important revision of the management and strategy infrastructures of the NPEs, by relying on the Acts of the Executive Committee and the other instructions of the Bank of Greece and the European Banking Authority.

In particular, the Bank has implemented the following:
Organizational restructuring: Significant redesign with the creation of independent administrative structures and the implementation of thoroughly documented practices and policies on its arrears portfolio.
• Development of flexible products for final arrangements and procedures.
• Human resources management with specialized teams and targeted training.
• Significant investment in IT equipment

Over the past years, the Bank has achieved compliance with the operational objectives for Non-Performing Exposures was achieved in the context of the implementation of the SNPEs, despite the unfavorable macroeconomic environment and difficulties in their management. In September 2021, the Bank submitted to the Bank of Greece its strategic objectives for the NPEs/NPLs, which illustrate the Bank's targeting for the management and reduction of the NPEs by the end of 2024, foreseeing a reduction of them through the reformed Strategic Management of the NPEs of the Bank, despite the interim deterioration of their size provided for in the short term due to the current economic situation and the adoption of an even more stringent supervisory framework for default. Specifically, the Bank's objective is to significantly reduce the NPEs and achieve an index of 20% by 2023 and of 17% by 2024, mainly through the sale and/or recognition through securitization of part of the Non-Performing Exposures stock in the period 2023-24.
Due to the application of the new definition of the Default which entered into force on 1/1/2021 in order to achieve full harmonization with the supervisory standards and in combination with the unfavorable conditions caused by the COVID-19 pandemic in 2020-21, NPEs and NPLs increased and amounted to € 233.8m. and € 208.8 million respectively. Respectively, NPEs and NPLs stood at 48% and 42.9% in 2021 compared to 43.9% and 34.9% in 2020.

Business Continuity Plan:

The successful management of the new operational risk factor that emerged in 2020 due to the pandemic (COVID-19) through the adoption and implementation of new measures and procedures, which remain in force, ensures the future operation of the Bank, in terms of dealing with similar incidents.

The Bank, in the context of timely and effective response to adverse effects that the pandemic could have caused, has prepared and implemented a "Pandemic Crisis Management Plan", which complements the "Business Continuity Plan" which it has in place.

Moreover, to address the general pandemic crisis, it has taken additional measures to ensure the safety of its employees and customers, such as teleworking for most of its staff, and to ensure the smooth running of its operations.

Contingent Liabilities from Legal Cases:

There are legal disputes - actions that have been made by partners against the Bank claiming compensation for the plaintiffs due to the alleged damage suffered by the preparation of the Special Account "Return".

The Bank's legal advisors are of the opinion that the lawsuits in question will be rejected for specific reasons relating to the completeness of the documents presented by the Bank that prove their legality and compliance with the laws and regulations imposed on credit institutions and consequently on the Bank's transactions with its customers.

Therefore, the Management of the Bank considers, taking into account all the above as well as the complexity of the cases and their duration, that the final settlement, until their irreversibility, will have a positive outcome for the Bank.

Assessment of going concern:

On the basis of the above risk and uncertainty factors regarding the legal cases and non-performing exposures and taking into account the capital adequacy and liquidity of the Bank and the actions it takes to manage and reduce the amount of non-performing exposures, the Management of the Bank considers that the conditions for the application of the principle of going concern for the preparation of its financial statements are met.

2.3 Adoption of IFRSs

<u>New IFRS, amendments and interpretations that entered into force on 1 January 2021</u>

Amendment to International Financial Reporting Standard 9 "Financial Instruments" of the International Accounting Standard 39 "Financial Instruments": Recognition and Valuation" and the International Financial Reporting Standard 7 "Financial Instruments: Notifications", International Financial Reporting Standard 4: "Insurance Policies" and International Financial Reporting Standard 16 "Leases": Reference rate reform - Phase 2 (Regulation 2021/25/13.1.2021) Applicable to fiscal years starting on 1.1.2021

On 27.10.2020, the International Accounting Standards Board amended IFRS 9, IAS IFRS 39 7, IFRS and IFRS 16 in the context of the second phase of the project to address issues arising from the reform of interest rates, including the replacement of a reference interest rate by an alternative interest rate. The basic options (or exceptions to the application of the accounting provisions of the individual standards) provided by these amendments relate to changes in contractual cash flows and hedge accounting.

The adoption of the amendment did not have a significant effect on the consolidated and individual financial statements of the Group and the Bank.

Amendment of IFRS 16 relating to COVID-19 leases.

The amendment gives tenants the option to opt out of the evaluation of whether the lease of the COVID-19 lease is a modification of the lease. Tenants may choose to take account of lease rents in the same way as changes that are not considered lease modifications. The amendment is mandatory for uses beginning on or after 1 June 2020 and therefore for consolidated and individual interim and annual Financial Statements as of January 1st 2021. The adoption of the amendment did not have a significant effect on the consolidated and individual financial statements of the Group and the Bank.

Amendment to International Financial Reporting Standard 4 "Insurance Contracts" Extension of the temporary exemption from the application of IFRS 9" (Applicable to fiscal years starting from 1.1.2021 onwards)

The amendment to IFRS 4 extended the provisional exemption from the application of IFRS 9. In this context, the companies that have made use of the temporary exemption from the application of IFRS 9 should apply this standard no later than 1.1.2023. The adoption of this amendment is does not affect the Group's financial statements.

Improvements of International Accounting Standards - Cycle 2018-2020 Applicable to fiscal years starting on 1.1.2022

In the framework of the program of annual improvements to International Accounting Standards, on 14.5.2020 the Board adopted urgent but necessary amendments to IFRS 1, IFRS IFRS 9 16 and IAS 41. The above amendments are not expected to have an impact on the Group's financial statements.

New IFRS, amendments and interpretations that will enter into force at a later date

IFRS 17 "Insurance Contracts" (effective for fiscal years beginning on or after 01/01/2023)

In May 2017, the IASB issued a new Standard, IFRS 17, and amendments in June 2020, which replace the intermediate IFRS Standard 4. The purpose of the IASB's work was to develop a single principle-based standard for accounting for all types of insurance contracts, including reinsurance contracts held by an insurance company. The new single Standard will enhance the comparability of financial reporting between entities, jurisdictions and capital markets as it requires all insurance policies to be accounted for consistently. The IFRS 17 sets out the requirements that an entity should apply when reporting financial information related to the insurance contracts it issues and the reinsurance contracts it holds. The standard has not been adopted by the EU.

The Bank and the Group do not intend to apply any of the Standards or Interpretations earlier, and no significant effect is expected from the application of the above new Standard when it enters into force.

Amendment to International Financial Reporting Standard 3 "Business Combinations": References to the Conceptual Framework of International Financial Reporting Standards Applicable to fiscal years starting on 1.1.2022

On 14.5.2020, the International Accounting Standards Board amended IFRS 3 as regards the references in the Conceptual Framework of International Financial Reporting Standards. The adoption of this amendment is not expected to have an impact on the Group's financial statements.

Amendment to International Accounting Standard 16 "Own tangible fixed assets": Income before the anticipated fiscal year Applicable to fiscal years starting from 1.1.2022

The amendment to IAS 16 prohibits the deduction from the acquisition cost of the disposable fixed assets of the proceeds from the sale of assets produced at the stage when the asset is prepared to arrive at the location and in the condition required for the use specified by the management. On the contrary, the proceeds from the sale of these assets and their costs should be recognized in profit and loss. The adoption of this amendment is not expected to have a material impact on the Group's financial statements.

Amendment to International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets": Onerous contracts - Cost of fulfilling the obligations of a contract Applicable to fiscal years starting from 1.1.2022

The amendment to IAS 37 specify the costs of fulfilling the obligations of a contract including the costs directly related to the contract. These costs consist both of the direct costs incurred and the proportion of other costs directly related to the fulfillment of obligations arising from a contract. The adoption of this amendment is not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1 - Classification of liabilities as short-term or long-term (Applicable to fiscal years starting from 1.1.2023 onwards)

In January 2020, the IASB issued amendments to IAS 1 affecting the requirements for the presentation of liabilities. In particular, the amendments clarify one of the criteria for classifying a liability as long-term, the requirement for an entity to have the right to defer the settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) clarification that an entity's right to defer settlement should exist at the reporting date; (b) clarification that the liability classification is not affected by management's intentions or expectations regarding the exercise of the deferral; (c) explain how lending conditions affect the classification; and (d) clarify the requirements for the classification of liabilities of an entity that it settles or is likely to settle through the issue of own equity instruments. The aforementioned adoption of this amendment is not expected to have an impact on the Group's financial statements.

Amendment to International Accounting Standard 1 "Presentation of Financial Statements": Disclosure of accounting policies (Applicable to fiscal years starting on 1.1.2023)

The amendments replace the requirement to disclose "significant" accounting policies with the requirement to disclose "material" accounting policies. Includes examples and explanations of when an accounting policy is likely to be "material". The Board has developed guidelines to support the implementation of the four-step method.

Amendment to International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates (Applicable to fiscal years starting on 1.1.2023)

The amendment to IAS 8 defined the accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. It clarified that an accounting policy may require the financial statements to be valued in such a way as to create uncertainty. In this case the entity develops an accounting estimate. The development of accounting estimates involves the use of judgments and assumptions. In the development of accounting estimates the entity uses valuation techniques and data. An entity may be required to change its accounting estimates. This fact is not related by its nature to previous fiscal years nor is it a correction of an error.

Amendment of IFRS 17 Initial application of IFRS 17 AND IFRS 9- Comparative information (in force for uses beginning on January 1st, 2023).

The amendment is a transitional option, relating to comparative information on financial assets presented during the initial application of IFRS 17. The amendment is intended to help entities to avoid temporary accounting mismatches between financial assets and insurance contractual obligations and thus to improve the usefulness of comparative information for users of financial statements. The adoption of the amendments is not expected to have an impact on the Group's financial statements.

Amendment of IAS 12 "Deferred tax" relating to assets and liabilities arising from a single transaction (in force for fiscal years beginning on or after January 1st, 2023). The amendment limits the scope of the recognition exemption according to which companies in certain cases were exempted from an obligation to recognize deferred tax on the initial recognition of assets or liabilities. This exemption is no longer applicable to transactions which, in the initial recognition, result in the creation of equal taxable and deductible temporary differences. The Group is considering the impact that the above amendment will have on its financial statements.

2.4 Consolidated financial statements

2.4.1. Consolidation principles

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries controlled by the Bank. Control requires all of the following to be met: (a) power over the company; (b) placements or rights to variable returns through its ownership of the company; and (c) ability to use its power over the company to affect the amount of its returns.

The Group's subsidiaries are consolidated by applying the full consolidation method from the date that control is acquired and cease to be consolidated with the loss of control.

Income and expense and other comprehensive income of the subsidiaries acquired or sold during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income from the date of acquisition of the subsidiaries and cease to be incorporated from the date of sale of those subsidiaries. The net earnings and the total comprehensive income of the subsidiaries are distributed among the Bank's shareholders and the non-controlling interests even if, with this distribution, the balance of the non-controlling interests becomes negative.

If the subsidiaries apply different accounting policies than those of the Group, the necessary adjustments are made to their financial statements in order to be consistent with the Group's accounting policies. Intercompany transactions, intercompany balances as well as gains/losses arising from transactions between Group companies are completely eliminated upon consolidation.

2.4.2. Non-controlling interests

Non-controlling interests are initially recognized in proportion to their net identifiable assets. After the acquisition, the book value of the non-controlling interest is their value at initial recognition plus the share of the non-controlling interest in the subsequent changes in equity. Total comprehensive income is allocated to non-controlling interests even if this results in a non-controlling debt balance.

2.4.3. Changes in the percentage of the Group's interest in subsidiaries that do not result in loss of control

Changes in the percentage of a Subsidiary's interest that does not result in a loss of control are recognized as transactions between the shareholders.

The balance of the Bank's shareholders' equity accounts and the 'Non-controlling interest' account are adjusted to reflect the change in the interest rate of the above shareholders over the subsidiary. Any difference between the adjustment of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity attributable to the Bank's shareholders.

2.4.4. Loss of control

If the change results in the loss of control of the subsidiary, the gain or loss on disposal is calculated as the difference between (i) the sum of the fair value of the consideration received and the fair value of the interest held on a subsidiary and (ii) the carrying amount, before sale, of the assets (including goodwill), liabilities and non-controlling interests. Unrealized gains or losses that were recognized in other comprehensive income and arising on the fair value measurement of the subsidiary's assets are accounted for as if the Bank had directly sold those assets (transfer to profit or loss or to retained earnings, in accordance with applicable the IFRS).

The fair value of any interest in the subsidiary that continues to exist after the date of the loss of control is considered to be the fair value at initial recognition of the financial instrument in accordance with IFRS 9 or the acquisition cost adjusted using the equity method in the event that it is recognized as an associate or joint venture by the applicable standards.

2.4.5. Affiliates

Affiliates means companies over which the Group exercises significant influence but has no control over them. If the Group holds, directly or indirectly, 20% or more of the voting rights of the investment, it is considered to have a material influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are incorporated in the financial statements using the method of equity accounting.

Under the method of equity accounting, investments in associates are initially recognized at cost. Goodwill arising on the acquisition of an associate is included in the acquisition cost of the investment (after any accumulated impairment provisions). The value of the investment increases or decreases according to the percentage of the Group's participation in the profit or loss of the associate after the acquisition (recognized in the income statement of the Group) and from the movements in reserves (recognized in the Group's reserves). The amount of dividends received from the associate during the year reduces the carrying amount of the investment. Investments in associates made solely for the purpose of disposing of them within one year of their acquisition date, when the material influence of the Group is considered to be temporary, are recognized in the "Non-current assets held for sale" account. Unrealized profit on transactions between the Group and its associates are eliminated as a percentage of the Group's interest in those companies. Any such losses, which are also eliminated, are an indication of impairment of the value of the transferred asset. Where appropriate, the financial statements of associates used in applying the method of equity accounting have been amended to ensure their consistency with the accounting policies adopted by the Group.

2.4.6. Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

(a) the parties are bound by a contractual arrangement, and

(b) the contractual arrangement gives two or more of those parties joint control of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

In the event of the Group's participation in a joint venture, the Group recognizes:

(a) its assets, including its share of any assets held jointly,

(b) its liabilities, including its share of any liabilities incurred jointly

(c) its revenue from the sale of its share of the output of the joint operation

(d) its share of the revenue from the sale of the output by the joint operation, and

(e) its expenses, including its share of any expenses incurred jointly.

In the case of the Bank's participation in a joint venture, the Bank recognizes its participation as an investment and accounts for that investment using the method of equity accounting (see Note 2.4.7)

2.4.7. Investments in subsidiaries, associates, and joint ventures in the separate financial statements

In the Bank's financial statements, subsidiaries, associates and joint ventures are recognized at acquisition cost and the fair value of the investment is adjusted. The Bank changed its accounting policy for 2018 concerning measurement of its subsidiaries, from the acquisition cost to the equity method, as amended by IAS 27. The aforementioned amendment permits as of 01.01.2016 the use of the equity method of investing in subsidiaries, joint ventures and associates in a company's separate financial statements.

2.4.8. Impairment testing of investments in subsidiaries, associates and joint ventures in the separate financial statements

The Group and the Bank assess and control (separately from the effect of the equity method on the value of the investment) whether an investment in a subsidiary, associate or joint venture has been impaired only when they believe that there is an indication of impairment (particularly due to external adverse factors). Where there is such an indication, the Group assesses the recoverable amount of the investment and when the carrying amount of the investment exceeds the estimated recoverable amount, then the book value is impaired to its recoverable value.

2.5 Business Combinations

2.5.1. Acquisition method

Acquisitions of companies that fall within the scope of IFRS 3 are recorded using the acquisition method. The consideration paid in a business combination is measured at fair value, calculated as the sum of the fair values of the assets contributed by the Group on the acquisition date, the liabilities assumed by the Group to the previous owners of the acquired business and the equity instruments issued by the Group in exchange for control of the acquired business. Expenses related to the acquisition are recognized in the profit and loss statement.
At the acquisition date, the assets acquired and liabilities are recognized at their fair value at the acquisition date, except for:

- deferred tax assets and liabilities and liabilities or assets related to employee benefits are recognized in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively,
- liabilities or equity securities related to the equity-dependent benefit plan of the acquired company or equity-dependent equity benefit plans of the Group, entered into to replace the equity-dependent benefit plan of the acquired company, are recorded in accordance with IFRS 2 "Share-Related Benefits" at the acquisition date and
- assets (or groups of assets) held for sale in accordance with IFRS 5 "Non-current Assets Available for Sale and Discontinued Operations" are recorded in accordance with this standard.

2.5.2. Goodwill

Goodwill is recognized as the excess between (a) the sum of the consideration paid, any uncontrolled interests in the acquired business and the fair value of any prior interest in the acquired business, and (b) the net worth at the date of acquisition of the assets acquired and of the commitments made. If, after a review, the net value at the acquisition date of the acquired assets and liabilities exceeds the sum of the consideration paid, any non-controlling interest in the acquired company and the fair value of any prior interest in the acquired business, the difference is immediately recorded in the income statement.

2.5.3. Contingent consideration

If the consideration agreed at the business combination includes assets or liabilities arising from a contingent consideration, then the contingent consideration is measured at its fair value at the acquisition date and is included in the total consideration at the business combination. Changes in the fair value of the contingent consideration that are included in the adjustments to the redemption period are recognized retrospectively with a corresponding adjustment of goodwill. Adjustments to the redemption period result from new information received during the redemption period (which may not exceed one year from the acquisition date) on data and situations that existed at the acquisition date.

Changes in the fair value of the contingent consideration that are not included in the adjustments to the redemption period are accounted for by the classification of the contingent consideration. When the contingent consideration is classified as an item of equity it is not re-measured in subsequent reporting periods and its subsequent settlement is recognized in equity. If the contingent consideration is classified as a financial asset or a non-financial asset / liability, the fair value result in subsequent reporting periods is recognized in the income statement.

2.5.4. Business combinations achieved in stages

Where a business combination occurs in stages, the Group's interest in the acquired company is measured at fair value at the acquisition date (the date the Group obtains control) and the resulting gain or loss is recognized in the income statement. Amounts recognized in other comprehensive income and derived from the acquired business prior to the transfer of its control are recognized in the income statement if such treatment would have been appropriate in the event of its sale.

2.6 Foreign currency transactions

The consolidated financial statements are presented in Euro (€), which is the Bank's functional currency and the presentation currency of the Group's financial statements.

Transactions denominated in foreign currency are translated into the functional currency using the exchange rates (current rates) prevailing at the dates of the transactions or the revaluation when the items are revalued. Foreign exchange differences (gains or losses) resulting from the settlement of the above transactions as well as from the conversion at the end of the fiscal year of monetary items from the foreign currency to the functional currency are recognized in the income statement and specifically in "Results of financial transactions & investment securities".

Foreign exchange differences resulting from the translation of non-monetary financial assets and liabilities carried at fair value through profit or loss are included in the income statement, in particular in "Results of financial instruments & investment securities". Foreign exchange differences on non-monetary financial assets, such as available-for-sale debt securities, are recognized in "Other comprehensive income". Non-monetary items that are recorded at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2.7 Financial instruments based on IFRS 9

2.7.1 Classification and measurement of financial assets

The Group classifies its financial assets based on the business model used for their management as well as on the characteristics of their typical cash flows. The classification of financial assets based on the above criteria is divided into the following three categories of financial assets: (a) Amortized Cost, (b) Fair value through other comprehensive income (FVTOCI) and (c) Fair value through profit and loss (FVTPL).

Purchases and sales of financial assets of the Group are recorded at the date of the transaction, with the exception of loans recognized at their disbursement date.

More in accordance with IFRS 9:

- A financial asset held within a business model whose purpose is to hold financial assets for the purpose of collecting Hold-to-Collect and its contractual cash flows consists solely of repayment of capital and interest on the unpaid balance of principal (SPPI) is measured at amortized cost. The exception is if an entity chooses to measure that asset at fair value through profit or loss (FVTPL).

- A financial asset held within a business model whose objective is to achieve both the collection of contractual cash flows and the sale of financial assets, and its contractual cash flows consist solely of repayment of capital and interest on the unpaid balance of principal is measured at fair value through other comprehensive income (FVTOCI). The exception is if an entity chooses to measure that asset at fair value through profit or loss (FVTPL).

- Other debt securities as well as equity instruments are measured at fair value through profit or loss. An exception exists if an entity irrevocably chooses subsequent changes in the fair value of its equity instruments that are not held for trading, to be reported directly to other comprehensive income, recognizing only dividend income in its income statement.

Business Model Evaluation

The evaluation of the business model determines how the Group manages the cash flows of a group of financial assets. The determination of the business model is carried out by the Management of the Group in accordance with the Group's operating model, taking into account how these elements are managed to generate cash flow, the risks associated with the performance of the business model, and how to evaluate and manage these risks, personnel compensation and frequency, volume and purpose of historical sales with respect to the group in question, and Management's expectations for future sales.

The business model of the Group's Loans and advances to customers and debt securities of the Group is evaluated as compatible with their HTC business model as:

- Loans, other amounts due and debt securities are held to collect their contractual flows.
- The Bank's business model and strategy do not include any future loan sales plans for any of its portfolios, without, however, excluding sporadic sales or sales of non-performing loans due to the deterioration of creditors' ratings which, under IFRS 9 alone, cannot meet the Bank's obligation to change its business model (as a result it will be able to continue to measure its loan portfolio at amortized cost).
- No loans or advances to customers have been sold in the past.
- The repayment of its loan portfolio results from the designated interest rates.
- The associated risks that affect the performance of the business model in the context of holding the loan portfolio are related to credit risk, and the way of managing that risk is primarily through collateral.
- The Bank's executives are not remunerated on the basis of loan sales receipts nor on the basis of the contractual cash flows of the loans.

Evaluation of contractual cash flows

The Group, at initial recognition of a financial asset, examines whether this asset is compliant with the SPPI criterion, evaluating whether its contractual terms are compatible with an underlying loan agreement. As part of the SPPI assessment, it is examined whether the interest on a financial asset (debt securities) includes only consideration for the time value of money, credit risk, other key borrowing risks, liquidity risk, other borrowing costs and a profit margin, thus being compatible with the SPPI criterion. In addition, it is assessed whether the contract of a financial asset contains conditions that could change the amount or timing of the contractual cash flows (early repayments, asset extension rights, leverage terms, convertible equity, the time value of money, terms that relate to other risks and introduce volatility in the flow of the financial asset, etc.) in a way that is incompatible with an underlying loan agreement, then the financial asset is considered to fail the SPPI valuation and therefore is measured at fair value through profit or loss. In the event that a contractual term is of minor importance, the classification of the related financial asset is not affected by that term. The Bank assesses whether the contractual cash flows are Solely Payments of Principal and Interest (SPPI) on its financial assets and the results are as follows:

- Loans and amounts due to customers: These financial assets are measured at amortized cost because of the characteristics of the contractual cash flows (exclusively capital and interest payments) and the business model as described above (Retention of financial assets for the purpose of collecting contractual cash flows, Hold-to-Collect). The Bank carries out an SPPI rating on a loan product because their contracts consist of standardized loan agreements as a whole.
- Bonds: The Group holds two bonds, one classified at fair value through profit and loss (FVTPL) as its contract includes terms that are inconsistent with an underlying loan agreement and another, due to the characteristics of the contractual cash flows (exclusively equity payments) and the aforementioned business model (Hold-to-Collect financial assets), at amortized cost.

Measurement of financial assets

The Group, having assessed the requirements of IFRS 9, distinguished its financial assets in the following categories:

- Cash and Cash with Central Banks
- Due from banks
- Loans and advances to customers at amortized cost
- Financial assets at amortized cost (debt securities)
- Other due included in Other assets
- Financial assets at fair value through profit or loss (debt securities)
- Equity instruments measured at fair value through profit or loss (Investment portfolio)

Financial assets measured at amortized cost

The Bank recognizes in this category its financial assets held under the HTC business model and the assessment of their contractual cash flows is compatible with interest and principal collection (SPPI rating). This category includes the following financial assets:

- Cash and Cash with Central Banks
- Due from banks
- Loans and amounts due to customers
- Financial assets at amortized cost (debt securities)
- Other due included in Other assets

After initial recognition, the aforementioned financial assets are measured at amortized cost using the effective interest rate method. Interest income on financial assets classified in Stages 1 and 2 is calculated on the basis of the book value of the asset before provisions, while for financial assets classified in Stage 3, the interest income is calculated at book value after provisions.

Financial assets measured at fair value

This category includes the following financial assets:

- Financial assets at fair value through profit or loss (debt securities)
- Equity instruments measured at fair value through profit or loss (Investment portfolio)

In more detail, this category has classified a debt instrument whose terms have been rated as non-compliant and are therefore incompatible with the SPPI criterion. In addition to the above heading, this category also includes the Group's equity instruments as they are presented in the "Investment Portfolio" line of the balance sheet.

The above financial assets are measured at fair value. Profits and losses on disposal or acquisition of the above items but also unrealized gains or losses arising from changes in their fair value are included in "Results of financial instruments & investment portfolio securities" of the income statement.

2.7.2 Derecognition of financial assets

The Group derecognizes a financial asset when:

(a) the contractual rights to the cash flows of the financial asset expire;

(b) the Group has transferred the rights to recover the cash flows of a financial asset either by transferring all the risks and benefits of ownership of the financial asset or has neither transferred nor actually retains the resulting risks and benefits from that asset but has transferred control of the asset,

(c) the Group retains the contractual rights to the cash flows of the financial asset but undertakes a contractual obligation to pay the cash flows to one or more recipients.

In the event that the risks and benefits are neither transferred nor retained while the control of the financial asset is not transferred, the Group continues to recognize the financial asset to the extent that it continues to be involved therein.

2.7.3 Modification of financial assets

If the change in the contractual cash flows of a financial asset is considered significant enough, the original asset is derecognized and the modified asset is recognized as "new". The Group recognizes the "new" financial asset at fair value and the difference between the value of the existing asset and the fair value of the "new" one is recognized in the income statement as a profit or loss from derecognition. Alternatively, if a change in a financial asset is not considered significant to result in derecognition, the gain or loss recognized by the amendment is calculated as the difference in the present value of the new contractual cash flows ("modified asset") discounted to the real interest rate on the asset and the net book value of the existing financial asset.

2.7.4. Reclassifications of financial assets

The Group reclassifies all financial assets involved if there is a change in the business model applied to manage those financial assets.

Reclassification is effective in the future from the date of reclassification, therefore any prior profit or losses that have been recognized (including impairment losses) or interest are not restated.

No frequent changes to the business models used by the Group are expected.

2.7.5. Expected credit losses

Impairment

IFRS 9 introduces a model for impairment of expected credit losses (ECL), which applies to financial assets that are not measured at fair value through profit or loss, including loans, credit card receivables and other financial guarantee contracts (eg other undrawn loan commitments and documentary credits/letters of guarantee). The impairment provision based on IFRS 9 is based on expected credit losses related to the probability of default within the next twelve months (12-month PD), unless there has been a significant increase in credit risk from initial recognition of the exposure, so the lifetime probability of default (lifetime PD) will be assessed. In addition, if the financial asset falls within the definition of credit-impaired assets at initial recognition (POCI), an impairment provision is recognized equal to the expected credit loss for their entire life.

Portfolio Ranking in Stages

IFRS 9 requires loans to be classified into three stages (Stage 1, Stage 2 and Stage 3). Early recognition and measurement of credit losses prior to the occurrence of catastrophic events and the reflection of the change in the risk of defaulting on a loan/customer introduced the concept of credit risk categorization in stages. Thus, except in the case of exposures that are classified as POCI and remain in this category throughout their life, the remaining exposures are classified into three stages according to their underlying probability of default. The Standard also introduces the new concept of "Significant Increase in Credit Risk" (SICR). To determine whether credit risk has increased significantly in each reporting period, the risk of default is compared over the remaining life of the loan with the expected default risk, as estimated at the date of recognition of the loan.

Stage 1: It includes performing exposures that do not have a significant increase in credit risk compared to the initial recognition of the exposure, while a provision for credit risk losses equal to the expected 12 month loss is recognized. This stage also includes exposures for which the credit risk has improved and this exposure has been reclassified from stages 2 or 3.

Stage 2: In the event that an exposure presents a significant increase in credit risk compared to its initial recognition and is non-performing, provisions for expected losses over its entire life are recognized and transferred from Stage 1 to Stage 2. This stage also includes exposures for which the credit risk has improved and this exposure has been reclassified from stage 3.

Stage 3: If there is any detrimental effect on the expected cash flows of an exposure, that financial asset is considered a credit-impaired loan and is classified as Stage 3 in accordance with IFRS 9. Provisions of expected losses over the life of the exposure are recognized at this stage.

Default Definition

The Bank applies a default definition for the purpose of preparing its financial statements, in accordance with the definition of Non-Performing Exposures (NPEs) as defined by the European Banking Authority in the Guidelines on the implementation of the definition of infringement under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07), and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. The definition of default is fully harmonized with the definition of credit-impaired loan. The definition of default applies at the borrower level for the business portfolio (borrowers designated by the Basel Committee as a business portfolio), while in the retail credit portfolio it is applied at the individual level (i.e. account level).

In view of the above, the Bank considers that a borrower or loan is in default of its contractual obligations when the following criteria are met:

i. The borrower is past due more than 90 days on any significant credit liability to the Bank.

ii. The Bank considers that the creditor is unable to fully meet their contractual obligations to the Bank (Unlikely to Pay "UTP") unless the Bank seeks to liquidate its collateral.

iii. The loan is classified as Non-Performing Forborne Exposure in accordance with Article 180 of Regulation (EU) No 227/2015.

Given that, as mentioned above, the Bank fully complies with the Guidelines on the application of the definition of default, pursuant to Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07), in 2021, in cooperation with a consulting company, the process of upgrading its information systems and policies has been completed, in order to fully implement the requirements of this Directive.

Estimation of Expected Credit Loss

The Bank calculates Expected Credit Loss (ECL) using the following parameters:

- Exposure at Default (EAD): It represents the estimate of the loss in potential future default. For its calculation, the Bank takes into account expected changes in the exposure amount after the reporting date, including repayments of capital and interest or expected withdrawals from available limits. EAD includes both on and off-balance sheet exposures. The on-balance sheet amount corresponds to the total amount committed and payable, which includes the outstanding debt, interest and arrears. The off-balance sheet amount represents credit available for withdrawal in addition to the on-balance sheet report. In addition, the credit conversion factor (CCF) is used to convert credit lines and other off-balance sheet exposures to EAD amounts.
- Probability of Default (PD): It expresses the likelihood that a borrower will default on its financial position based on the prevailing financial conditions at the reporting date, adjusted by estimates of future financial conditions for a 12-month time horizon for exposures classified in Stage 1 and for the entire duration of the loan life for exposures classified in Stage 2 or 3. PD is used both for the calculation of Expected Credit Loss (ECLs) and for the Significant Credit Risk Increase (SICR).
- Loss Given Default ("LGD"): expresses the estimate of the damage resulting from a default event. In calculating this parameter, the Bank considers the following components:

- Loss Given Loss ("LGL"), which is the expected loss on the percentage of loans that are in default and not repaid, for which the collateralization procedure is followed, in the case of collateralized loans, or cash recovery.
- The possibility of recovery (Cure Rate - "CR"), that is, the possibility of defaulted accounts being cured, starting to pay their debts regularly.

The Bank calculates loan impairment either on a collective basis or on an individual basis, taking into account common grouping characteristics (such as the type of portfolio or loan exposure category) for the first, while for the latter, the significance of an exposure and whether it is classified as non-performing or whether the customer has been subject to bankruptcy or creditors protection, are taken into account.

In accordance with the requirements of IFRS 9, the Bank develops three macroeconomic scenarios (optimistic, basic and unfavorable) in order to estimate the expected credit losses in a manner that reflects an unbiased and probability-weighted amount. Macroeconomic scenarios are used in addition to calculating expected credit losses and in assessing significant risk increases.

2.8 Fair value of financial instruments

The Group calculates the fair value of financial instruments based on a fair value calculation framework that classifies financial instruments into a three-level hierarchy of data used in valuation, according to their quality as described below:

Level 1: Quoted prices in active markets for identical financial instruments. Active market, is the market in which transactions are of sufficient frequency and volume to provide price information on an ongoing basis. Level 1 includes quoted equity securities.

Level 2: Direct or indirect observable data (other than Level 1 prices), such as quoted prices of similar instruments, quotes from markets that are not active, or other observable data or data that result from observable data for almost the entire duration of the financial instrument. Level 2 includes securities with quoted prices in inactive markets available from third parties (dealers - brokers).

Level 3: Non-observable data backed by few or no active market transactions and significantly affecting fair value. This includes financial instruments that are valued either through the net asset value method or by discounting cash flows or other valuation methods that require management estimates. Level 3 includes unquoted equity securities.

The level in the fair value hierarchy in which a fair value calculation is determined by the lowest level of data used in the fair value calculation and has a significant effect. To this end, the significance of a given item is evaluated in relation to its total fair value.

2.9 Offsetting

The presentation in the financial statements of the net amount that results from the offsetting of financial assets and liabilities is permitted only if there is a contractual right that allows for the offsetting of the amounts recorded and at the same time there is an intention to either settle the total amount of both the financial assets and the liability respectively, or for settlement of the net amount that arises after the offsetting.

2.10 Interest and similar income and expenses

Interest income and expenses relating to all interest bearing financial instruments is recognized in profit or loss using the effective interest method.

Interest income refers to interest on "Loans and advances to customers", "Claims on financial institutions" and debt securities coupons.

Interest expenses relates to interest on "Liabilities to central banks", "Liabilities to other financial institutions", "Liabilities to customers" and "Debt securities and other loans".

2.11 Commissions

Generally, commissions and related income are recognized during the period in which the related services were provided. Commissions and related income arising from trading, transactions or participation in trading on behalf of third parties, such as the purchase of claims on loans, equity or other securities and the purchase or sale of financial units, are recognized at the time of completion of the underlying transaction. It is noted that the accounting treatment of commissions has not changed since the application of the new IFRS 15 standard, the impact of which was assessed as not significant.

2.12 Property and equipment

Property and equipment include land and property, leased property improvements, transportation and equipment, held by the Group for their operational use, but also for administrative purposes. Property and equipment are initially recognized at their acquisition value, which includes all the costs required for a fixed asset to operate.

Subsequent to their initial recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment provisions. Expenditure subsequent to the acquisition of an asset under "Tangible assets" is capitalized only where it is probable that such expenditure will in the future bring additional financial benefits to the Group, beyond what was originally expected at the time of acquisition of the asset. Otherwise, these costs are transferred directly to profit and loss at the time they are incurred.

Depreciation on a fixed asset starts with the commencement of its use and is interrupted only by the sale or transfer of the item. Consequently, depreciation on a tangible asset that ceases to be used is not interrupted, unless fully depreciated, but its useful life is reassessed. Tangible assets are depreciated using the straight-line method over their useful lives. The estimated useful lives of property and equipment by category are as follows:

Category of Assets	Useful Life
Fields	Not depreciated
Buildings	50 to 70 years
Improvements to leased real estate	During the remaining term of the lease, not exceeding 12 years
Mechanical Equipment / Technical Installations	From 10 to 25 years
Furniture & other equipment	Up to 12 years
Vehicles	Up to 10 years
Electronic and other equipment	Up to 5 years

The Bank and the Group companies review the residual values and useful lives of property and equipment at each date of drafting the financial statements. The Group examines at each reporting date whether there is any indication that property and equipment have been impaired. If such an indication exists, the Group calculates the recoverable amount of the property and equipment. When the book value of property and equipment exceeds their recoverable value, the Group makes a similar impairment provision in order to reflect the book value of the asset. Profit and losses on disposal of property and equipment are determined based on their book value and are taken into account in determining income before tax.

2.13 Assets from auctions/property stocks

The Bank's assets from auctions and inventory of acquired property of the Group's subsidiaries (property management sector) are recorded in "Other assets".

The Bank's assets from auctions are recognized in "Other assets" at the time of the auction or when collateral is obtained by agreement or court order. Assets from auctions arise when the Bank initiates legal action to collect collateral when it is no longer considered that repayment or settlement of the debt can be achieved. Where debts are secured by assets, legal actions include the initiation of an auction process with the aim of repaying the debts through the realizable value of the collateral.

The Bank's assets from auctions and the Group subsidiaries' property inventory are initially recognized at cost less estimated cost of sale and are accounted for as a provision in accordance with IAS 2. Subsequent to acquisition, they are valued at the lower of cost and net realizable value.

Profits and losses arising from the sale of assets from auctions are included in "Other net income".

2.14 Investment properties

Investment property includes land and buildings held for the purpose of collecting rents and/or capital gains. Investment property is initially recognized at its acquisition value, which includes transaction costs.
Subsequent to initial recognition, investment property is measured at fair value as estimated by appraisers. Fair value is determined by the market value of a property, and if it is not available, other valuation methods are used (e.g. comparative method, residual value of replacement, etc.). The fair value measurement should take into account the ability to derive maximum benefit from the best use or sale of the property.
Investment property is reviewed by appraisers at least annually in order to assess their value. Subsequent expenditure increases the value of the property only when it is probable that the Group will derive future economic benefits. Other maintenance costs are recognized in profit and loss.

The Group has been applying the fair value method for investment property since 2016.

Transfers to and from the category of investment property are effected only in the event of a change in the Group's intention to use the property.

2.15 Goodwill, software and other intangible assets

2.15.1. Goodwill

Subsequent to initial recognition, goodwill is measured at cost less any accumulated provisions for impairment.
For the purpose of impairment testing, goodwill is allocated to Cash Flow Generating Units ("CFGUs"). The allocation is made to those of the CFGUs, which are expected to benefit from the business combination resulting in goodwill.
The Group assesses the book value of goodwill on an annual basis, or more frequently, to determine whether there is a possible impairment of its value. In assessing this, it is estimated whether the book value of goodwill remains fully recoverable. The estimate is made by comparing the book value of the CFGU where the goodwill has been allocated to its recoverable amount, which is the greater of its fair value less costs of sale and its value in use. Fair value is measured at market value, if available, either determined by an independent appraiser or derived from a valuation model. If the recoverable amount is less than the book value, an irreversible impairment provision is recognized and the goodwill is impaired at the excess of the book value of the CFGU over the recoverable amount.

2.15.2. Software

The acquisition cost of software includes expenses that are directly attributable to specific and discrete software products controlled by the Group and which are expected to generate future benefits for more than one year and which will exceed the related acquisition costs. Costs that improve or extend the operation of software programs beyond their original specifications are capitalized and added to their original acquisition value.

Software is depreciated over the straight-line method over its useful life, but over a period of not more than 20 years.

In particular, internally generated software components are initially recognized at a value equal to the sum of the expenses incurred from the date that the component meets the recognition criteria. When an intangible asset cannot be recognized, development costs are recognized in profit or loss in the period incurred.

Research expenses are recognized as an expense when incurred. Internally generated software resulting from development costs incurred on an individual project are recognized only when the Group can demonstrate:

- that it has the technological capability to integrate internally created software to make it available for use,
- its intention to complete and use it,
- its ability to use it,
- how the asset will generate future economic benefits,
- that it has sufficient technological, financial and other resources to complete the development and use of the asset, and
- the ability to reliably measure costs when developing an asset.

Subsequent to their initial recognition, internally generated software items are measured at cost less accumulated depreciation and any accumulated impairment provisions.
Expenses, such as the costs of establishment and first setting up business units or branches, staff training costs, advertising and promotional expenses, and the costs of relocating and reorganizing a section or all of the Group, are recognized as expenses when incurred.
At each reporting date, the management of the Group examines the value of intangible assets in order to determine whether there is any impairment. Where appropriate, the management of the Group performs an analysis to determine whether the carrying amount of the assets in question can be fully recovered. When the carrying amount of an intangible asset exceeds its recoverable amount, a similar provision for impairment is made.

2.16 Leases

2.16.1. The Group as a lessee

The Group recognizes assets with the right of use, which represent the right of use of the underlying assets and respectively lease liabilities, which represent the obligation to pay leases. The Group follows this accounting treatment in all lease agreements with the exception of short-term leases (and low value leases whose rents are recognized in operating expenses.

2.16.2. Assets with right of use

The Group recognizes an asset with the right of use at the starting date of the lease period. The asset is measured at cost, less accumulative depreciation. The amortization of the rights of use is carried out with the straight-line method during the lease. The assets with the right of use are presented in "Property and equipment".

2.16.3. Lease liabilities

The Group recognizes as lease liabilities the obligation to pay rents at the start date of the lease term, which are measured at the present value of the rents at the time of the lease. The rents of the Group consist of fixed rents, while the liability from rents is recalculated in case of change in the rents and the book value of the asset with the right of use is adjusted accordingly. The lease liabilities are presented in "Other liabilities".

2.16.4. The Group as a lessor

Finance lease contracts: Where the tangible assets are leased under finance lease, the present value of the minimum rents paid is presented as a receivable. Proceeds from finance leases are recognized during the lease by the net investment (pre-tax) method, which reflects a fixed rate of return. Due from finance leases is included in the "Loans and receivables to customers" account.
Operating leases: Fixed assets that are leased as operating leases are reflected in the Statement of Financial Position according to their operating nature. Leased tangible assets are depreciated over their useful lives, which should coincide with the useful lives of similar tangible assets. Rental income (less the value of any incentives provided to the lessee) is recognized on a straight-line basis over the term of the lease.

2.17 Cash and cash equivalents

For the purpose of establishing the statement of cash flows, cash and cash equivalents mean the balances of the accounts "Cash and cash equivalents with Central Banks".

2.18 Provisions

The Group makes provisions for contingent liabilities and risks when there is a present legal or constructive obligation as a result of past events, a high probability of an outflow of resources that has financial benefits for settling the liability and it is possible to estimate the amount of the liability reliably.

2.19 Employee benefits

Group companies pay contributions to employee benefit plans after leaving service in accordance with the conditions and practices applicable in each country. These plans are divided into defined benefit and defined contribution plans.

2.19.1. Pension plans

A. Defined benefit plans

A defined benefit plan is a post-employment employee benefit plan in which benefits are determined on the basis of financial and demographic assumptions. The most significant assumptions include age, years of service, salary, life expectancy indicators, discount rate, rate of increase in salaries and pensions. The value of the liability in defined benefit plans is equal to the present value of the defined payable benefits at the date of the financial statements, less the fair value of the plan's assets.

The defined benefit obligation and the related expense is estimated annually by independent actuaries using the projected unit credit method unit. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds in the same currency as the liability with proportional liability duration, or interest rate that takes into account the risk and duration of the obligation, in which case the market depth for such bonds is insufficient. Service costs (current and past service (including deductions) and profit or loss arising from settlements) and the net financial cost of the net liability/(claim) of the defined benefits are recognized in the income statement and are included in Personnel Expenses. The net defined benefit obligation (after deducting the assets) is recognized in the statement of financial position, with changes arising from the revaluation (including actuarial gains and losses and the expected return on assets, if any), recognized directly in Other comprehensive income, without subsequently permitting its transfer to the income statement.

The formation of the provision for the defined benefit program defined by Law 2112/20 was calculated up to and including the year ended on 31/12/2020 in proportion to the service time of each employee towards the estimated time of retirement, i.e. the amount of the provision did not correspond to the amount of the severance pay paid to the employees in the context of their dismissal by the employer. The technique applied by the Bank and the Group for the calculation of the provision was in full compliance with the method described in Opinion ref. 640 dated 6 March 2019 issued by the Scientific Council of SOEL.

The new clarification directive of SOEL, issued in 2021, defined as appropriate method of allocation of benefits for the formation of the provision during the last 16 years of service of employees until the date of their retirement, following the scale of Law 4093/2012. The implementation of the above directive has been treated as a change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

B. Defined contribution plan

A defined contribution plan is defined as a post-service employee benefit plan, whereby the employer pays specific contributions to a Fund without any other legal or constructive obligation for further contributions if the Fund does not have the required assets in order to pay the benefits of the policyholders in the current and previous fiscal years. The Group's contributions to the defined contribution plans are recognized in the income statement during the period they relate to and are included in "Personnel costs" account.

2.20 Income taxes

The basis for calculating the income tax payable is taxable profit for the year. Taxable profits differ from pre-tax profits in the income statement due to the exclusion of income or expense that will be taxed or deducted in subsequent years. Also excludes taxable income and expenses that are not recognized for tax deduction. The Group's income tax payable is calculated using the tax rates that are effective or substantially effective at the date of preparation of the financial statements. Deferred tax is calculated using the liability method. The tax that is expected to be paid or recovered and is calculated on the difference between the accounting base of the assets and liabilities and their corresponding tax base, is used to calculate taxable profits.

The most significant temporary differences arise from the impairment of loans and advances to customers, the valuation of financial assets, provisions for retirement benefits, the valuation of real estate inventories at the lower of cost and net realizable value and valuation of Investment property. The tax benefits that may arise from unused tax losses that are carried forward to subsequent years to be offset are recognized as assets when it is deemed probable that future taxable profits will be sufficient to offset the cumulative tax losses.

Deferred tax assets and liabilities are determined on the basis of the tax rates that are expected to apply to the period in which the asset will be realized or the liability settled. The determination of future tax rates is based on laws adopted at the date of preparation of the financial statements.

Deferred tax assets and liabilities are not recognized if the temporary differences arise on initial recognition of goodwill, or on initial recognition of assets and liabilities (other than business combinations) in a transaction that affects neither taxable nor accounting earnings.

The recognition of deferred tax assets is based on the Management's belief, which is based on available supporting evidence, that tax benefits associated with temporary differences, such as tax losses carried forward and subsequent tax liabilities, are likely to be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profits to recover all or part of it. In order for the Group and the Bank to make the decision to recognize these deferred tax assets, they consider all available, positive and negative elements, including the realization of the already existing tax temporary differences, projected future tax profits and recent results. If the Group and the Bank find that they are likely to recover deferred tax assets in the future beyond what they have already recognized, then they increase the book value of the deferred tax assets.

Current and deferred tax assets and liabilities are offset provided that the tax authorities grant the right to offset the assets and liabilities and if the deferred tax assets and liabilities relate to the same tax authority and management intends to settle the net amount that results after the offset. Deferred income tax is recognized in temporary differences arising from investments in subsidiaries, associates and joint ventures unless the timing of the reversal of the temporary difference can be controlled by the Group and there is a significant possibility that the difference will not be reversed in the near future.

Deferred tax assets or liabilities that relate to changes in the fair value of available-for-sale investment securities that are charged to or credited to other comprehensive income are also charged to Other comprehensive income and transferred to results and related profit or loss.

2.21 Cooperative capital

According to IFRIC 2, many financial instruments, including the members' shares in cooperative entities, have equity characteristics such as voting rights and the right to participate in dividend distribution. The classification of these financial instruments as equity or financial liabilities is subject to repayment terms. Some financial instruments entitle their holder to request repayment in cash or for another financial instrument, but may include or be subject to restrictions (such as restrictions on liquidity or reserves formed) as to whether the financial instruments will be repaid. The contractual right of the holder of a financial instrument to request repayment does not in itself require the classification of the financial instrument as a financial liability. An entity should consider and take account of all the terms and conditions of a financial instrument as well as its relevant laws and regulations to determine whether it should be classified as a financial liability or equity.

Co-operative shares of members constitute an equity component if one of the following conditions applies:

- An entity has an unconditional right to refuse to repay shares. An unconditional prohibition may be absolute, in the sense that all discounts are prohibited, or partial, in the sense that it prohibits the repayment of members' shares if the repayment would be due to the number of members' shares or the amount of paid-up capital from members, to fall below a certain level.
- Domestic law or regulations or the entity's articles of association may prohibit the repayment of shares. However, domestic laws, regulations or an entity's articles of association prohibiting repayment under conditions - such as restrictions on liquidity or reserves - do not result in the shares being considered as equity.
- Members' shares meet the requirements of IAS 32, regarding the recognition of equity, available by the holder of financial instruments and the obligations of the issuer upon liquidation.

For the purposes of Article 92 of Regulation (EU) No 575/2013 and Article 149 of Law 4261/2014, repayment of cooperative shares, including cases of retirement or exclusion of associates, which entails a reduction, within the financial year, of more than 2% of the credit institution's equity in the form of a cooperative under Law 1667/1986, is subject to the prior approval of the Bank of Greece. In any event, the Bank of Greece may prohibit the repayment of cooperative shares if the viability of the credit institution operating in the form of credit cooperative.

The Bank has recognized all of its cooperative capital in equity, as there is no relevant authorization to repay shares from the Bank of Greece in accordance with Article 149 of Law 4261/2014.

In addition, they are listed as follows:

The direct costs of issuing cooperative capital are deducted directly from equity.

The difference between the issue of premium shares concerns the difference between the nominal value of the shares issued and their selling price.

Own cooperative shares are those of the Bank held by the Group, which are recognized at acquisition cost and are deducted from the Group's equity.

2.22 Associated parties

In accordance with IAS 24, associated parties include any natural or legal persons associated with the entity that compiles the financial statements. Two parties are considered to be associated if one can exercise control over the other or exercise significant influence over it when making financial and business decisions. Specifically, associated parties are:
a) Enterprises, directly or indirectly, controlled by the Bank.
b) Affiliates, in which the Bank has significant influence and are not subsidiaries.
c) Individuals and their close relatives holding, directly or indirectly, voting rights in the Bank, which give them substantial influence over the Bank.
d) Members of the Bank's Board of Directors and key Managers as well as closely related persons
e) Enterprises belonging to members of the Management.

2.23 Government grants

Government grants relating to assets are initially recognized as liabilities during the period collected or during the period when their approval becomes final and there is certainty of their collection.

The recognition criterion is valid as to the timing of recognition, which is unquestionable, while the stage of non-recovery is the criterion of their definitive approval and the assurance that they will be collected. Specifically, the grant approval is considered final when the entity has documented compliance with the conditions governing its award.

Government grants are recognized at the amounts collected or finally approved. After initial recognition, government grants are depreciated upon their transfer to the profit and loss as income, in the same period, and in a manner corresponding to the transfer to profit and loss of the accounting value of the asset granted.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND CONSIDERATIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect both the carrying amounts of the assets and liabilities and the income and expenses recognized in the financial statements of the Group and the Bank. The Group's management believes that the estimates and assumptions made in the preparation of the consolidated financial statements sufficiently reflect the events and circumstances on 31 December 2021. Specifically, the Group makes estimates and assumptions when applying accounting policies in the following significant cases:

Evaluation of the business model and the contractual cash flow characteristics of the financial asset

Under IFRS 9, financial assets - in particular loans and debt securities - of an entity are classified on the basis of the business model evaluation for financial assets management and on the basis of the characteristics of their contractual cash flows. This dual evaluation of financial instruments requires a judgment taking into account the following.

Business Model Evaluation

It is not defined separately at the financial instrument level but at the portfolio level, ie financial assets with the same characteristics:

- Historical sales (frequency, amount of sales) and Management's future plans for portfolio sales
- The way to measure portfolio performance
- The associated risks that affect the performance of the business model and how it is managed
- The method of evaluation and remuneration of the Bank's executives

Fair value of financial instruments

The fair value of financial instruments traded in an active market is determined on the basis of available market prices. The fair value of financial instruments that are not traded in regulated markets or whose prices are not available is determined using various valuation methods. These methods include cash flow discounting methods, as well as other models based mainly on observable data and to a lesser extent on non-observable data. Valuation of non-quoted equity securities for which there are no available prices, the net asset value method is used.

Expected losses of credit risk financial instruments

With the repeal of IAS 39 and the transition to the new IFRS 9 standard, and in conjunction with the adoption of European Banking Authority guidelines in advance, the Group redefined the parameters used to calculate its loan portfolio impairment policy, the parameters used to calculate the estimated expected credit loss. However, the measurement of expected credit losses requires Management to make a judgment by making a series of estimates. The estimates required are based on a number of factors, which can lead to changes in both the timing of the recognition of the loss and the amount of the impairment recognized and the calculation of expected credit losses is based on complex models, which depend on a number of assumptions on the choice of model variables and the interdependencies they create.

The new standard has introduced a new concept, the "Significant Increase in Credit Risk" (SICR), the interpretation of which is critical both to the classification of loans and to the calculation of Expected Credit Loss. As IFRS 9 does not include a definition of Significant Increase in Credit Risk (SICR), estimates are made to determine the criteria used in assessing significant increase in credit risk, and estimates are also made by selecting appropriate methodologies for determining expected credit risk losses as well as identifying macroeconomic scenarios for calculating expected credit losses. At the same time, judgments and estimates are required regarding the determination of the residual duration of the recycled credit, the change in probability of default, and the grouping of financial assets based on similar credit risk characteristics.

Specifically, by using models and pooling financial assets with similar credit risk characteristics, the Group calculates expected credit losses with estimates of risk parameters, namely, Probability of Default, Loss Given Default and Exposure at Default, while incorporating the use of macroeconomic scenarios and their weighting factors in this calculation.

Impairment of associated companies

The Group exercises judgment and tests for impairment the value of its investments in associates, comparing the recoverable amount of each investment (the highest of the values between value of use and fair value less selling costs) to its book value. The permanent impairment of the investment in an associate as shown in the valuation is recorded in the Group's income statement.

Fair value of real estate

The Group's own-use properties are reviewed for impairment when events or changes in circumstances show that the book value may not be recoverable. The recoverable value is the greater of the fair value of property and equipment, less costs to sell and value in use.
All inventory is measured at the lower value of its acquisition cost and its net realizable value. Net realizable value is the estimated selling price, less costs to sell.
Investment property is measured at fair value, as determined by appraisers. Fair value is determined by market prices or, where unavailable, valuation methods are used with appropriate adjustments to reflect current financial conditions and management estimates, to the best possible extent, of future real estate market price trends.

Income taxes

The Group recognizes deferred tax on temporary tax differences, taking into account the applicable tax provisions.
Deferred tax assets related to tax losses and deductible temporary differences are recognized to the extent that it is probable that a sufficient future taxable income will exist, to cover the tax losses and the deductible provisional differences. Estimating expected future taxable profits requires judgments and assumptions about trends and key profitability factors, such as loan and deposit volumes and profit margins.
Deferred tax assets on tax losses and deductible temporary differences that are not considered recoverable could be recognized in the foreseeable future if estimates for future taxable profits are improved during the period that the right to use taxable income tax deductions and allowances can be exercised. Taxable profits are calculated in accordance with Greek tax law and therefore cannot be considered equivalent to the result determined by accounting rules.
Changes in tax legislation and tax rates may affect in the future the recognized deferred tax assets and liabilities and therefore the level of future tax results.

Staff retirement benefits

Compensation is calculated based on the scale of dismissal compensation under Law 2112/20 and is provided to employees upon their departure from the Company provided that they have established a right to retirement. Specifically, the amount of compensation is calculated at 40% of the amount of dismissal compensation for those who have retired (50% for those who have not established their right with a complementary fund).
The current value of liabilities due to staff retirement depends on factors determined on an actuarial basis using various assumptions, such as the discount rate and future salary increases. Any changes to such assumptions will affect the book value of retirement liabilities.
The Group shall set the appropriate discount rate for the calculation of the present value of the estimated pension liabilities at the end of each year. The rate of increase in wages is based on estimates of future levels of inflation and also reflects the Group's reward system and expected market conditions.
The remaining assumptions pertaining to retirement obligations, including inflation fluctuations, are partly based on current market conditions at the given time.
For further information on liabilities due to staff retirement and the aforementioned main actuarial assumptions, see note 8.

Provisions and contingent liabilities

The Group recognizes provisions where there is a present legal or implied obligation for which the outflow of resources is almost certain and can be reliably measured. In cases where there is a low potential for an outflow of resources to settle the liability or the amount of the outflow cannot be reliably estimated, no provision is made but this is disclosed in the relevant financial statements.
At each reporting date, the Group exercises judgment and assesses the probability of settlement of the liability, the ability to reliably measure the outflow and the timing of settlement. In addition, in cases of pending litigation, the Group assesses them in detail, whenever financial statements are prepared, based on the estimates of the Bank's

Legal Service and its subsidiaries or the estimates of external independent legal advisors, where the amount in question is considered significant.

NOTE 4: RISK MANAGEMENT

4.1 Audit Committee

The Audit Committee, in addition to its other responsibilities, formulates and recommends to the Board of Directors (BoD) the Bank's risk appetite strategy on an annual basis. It also sets out the principles and approves the policies that should govern the management of the risks assumed and monitors the actions taken to address them effectively. The Committee consists solely of non-executive members of the Board of Directors, who are at least three, and most of whom (including the Chairman) are independent members of the Board. The members and the Chairman of the Committee are appointed by the Bank's Board of Directors.
The Committee is responsible for evaluating the reports and of the Bank's overall risk exposure on a regular basis. The issues to be discussed by the Committee are proposed by the Head of the Risk Management Unit.

4.2 Financial risk management

4.2.1. Risk management policy

The Bank aims to adopt risk appetite practices, taking into account all relevant instructions and supervisory requirements as identified by the Basel Committee on Banking Supervision, the European Banking Authority and the Bank of Greece.
Within the Bank's risk appetite framework, the Board of Directors has entrusted the Audit Committee to oversee all risk management functions of the Bank.
The Bank has established the Risk Management Unit, which is responsible for examining and assessing the two main sources of risk, Credit Risk and Operational Risk, as well as for controlling and monitoring any other risks to which the Bank is exposed. It report directly to the Board of Directors, through the Audit Committee.
The Compliance Unit is responsible for all compliance issues, both internal and external, such as applicable Greek and European laws, regulations, supervisory regulations and accounting standards. The Bank's Internal Audit Unit, which reports directly to the Board of Directors through the Audit Committee, complements the risk appetite framework by acting as an independent audit body, focusing on the effectiveness of the risk appetite framework and control environment.

4.2.2 Risk Appetite Framework

The Board of Directors has overall responsibility for developing and overseeing the "Risk Appetite Framework" for the development of the Risk Appetite strategy, in line with the Bank's business objectives.
It also assesses the effectiveness of risk management policy, as well as the adequacy of equity, in relation to the amount and form of risk undertaken. The risk appetite framework is updated annually upon recommendation by the Risk Management Unit to the Board of Directors, taking into account any supervisory requirements.

4.2.3 Risk Management Unit

According to the Rules of Operation of the Risk Management Unit, its mission is:

- to specify and implement the credit risk policy with a focus on rating systems, assessment models and risk parameters, in accordance with the guidelines of the Bank's Board of Directors,
- to submit written assessments to the Bank's approval bodies for exposures to borrowers or groups of borrowers and participating through its supervisor and its executives, with voting rights, in the credit approval process,
- to calculate the supervisory and internal capital required to cover all risks and to prepare the relevant regulatory and supervisory reports,
- to design, specify, recommend and implement the risk management policy in accordance with the guidelines of the Bank's Board of Directors, and
- to contribute, together with the other Directorates and Units of Management to the formation and development of the risk culture throughout the Bank,
- to evaluate the adequacy of the Bank's credit risk identification, measurement and monitoring all the risks incurred by the Bank and their periodic validation,

- to prepare and submit all necessary reports on matters within its competence, with a view to providing the Management with sufficient information on a quarterly, semiannual or annual basis,
- to collaborate with other units and departments of the Bank on risk management issues.
- to participate in Working Groups created from time to time for the purpose of drawing up regular and extraordinary plans with the supervisory authorities.

The Risk Management Unit is comprised, in addition to its Head, by two more employees.

4.2.4 Asset-liability management

Asset/liability management policies are designed to ensure that the balance sheet is compiled in such a way as to limit both liquidity risk and interest rate risk and to contribute to its profitability. The Bank's asset/liability management policy is designed and implemented by ALCO, which sets out the general asset and liability management policy. ALCO sets out the Bank's strategy and policy on the structure and management of Assets and Liabilities, taking into account the current market conditions and risk limits set by the Bank.

4.2.5 Internal control

Internal control aims to perform audit and advisory activities designed to add value and improve operations.

4.3 Managing specific risks

4.3.1 Credit risk

Credit risk is the risk of loss due to the counterpart's inability to meet the terms and obligations arising out of any contract with the Bank. It is incurred from lending activities. This is the most significant risk faced by the Bank. The process of assessing the creditworthiness of borrowers is carried out separately by the Bank and in particular in exposures of more than € 500.0 thousand and by the Risk Management Unit.

4.3.2 Credit risk management procedures

The Bank's credit operations include:

- Credit criteria, clearly identified by the specific market targeted, the category of borrowers or counterparties, as well as the purpose, type of credit, and the source of repayment.
- Credit limits that allow for grouping and comparison at different levels of different forms of risk exposure.
- Established and clearly defined procedures for approving new credits, as well as restructuring, and renewing existing credits.

The Bank's internal safeguards for credit risk-related procedures include:

- Proper management of credit operations.
- Regular and timely corrective actions to manage loans in default.

4.3.3 Credit Risk Measurement, Monitoring and Internal Ratings

The process of evaluating borrowers' creditworthiness is centrally undertaken by the Risk Management Unit, which works closely with the Credit Division responsible for specific categories of lending, as well as with the Credit Management Division, which is responsible for all exposures which are already or are about to be in default.
The Bank uses the credit risk assessment system RV RATING for its business portfolio, which is periodically validated. The business portfolio is categorized annually into nine credit levels related to the Probability of Default.
Exposures to Business Lending as well as lending to SMEs are mainly covered by collateral and, secondarily, liquid assets, receivables, etc.
In 2021, the Bank proceeded with the procurement of a new credit rating system (ICAP CRIF RISK PROFILER) for retail and business credit. The new system will be fully operational by 2022.

4.3.4 Management of Significant Risk Concentration

The Bank manages the lending process, controls exposure to credit risk and ensures compliance through a system of internal limits.
The main tool for monitoring the Business Portfolio are the Credit Limits which express the maximum permissible level of risk exposure for a given Credit Level.
The Board of Directors, upon recommendation by the Audit Committee, approves the maximum credit limits, which are reviewed annually. All exceedances over the established internal limits are approved by the competent approval bodies within the approval powers defined in the Credit Policy.

The credit risk arising from the excessive exposure to a counterparty or a group of related counterparties whose probability of default depends on common factors is monitored through the Large Exposures per group of related debtors.
Finally, in the context of the Internal Capital Adequacy Assessment Process, the Bank, in cooperation with SYSTEMIC SA, calculates the risk of concentration and the risk of unexpected losses, i.e. the internal or financial capital of its exposures, by calculating the increase in capital requirements.

4.3.5 Loans and Receivables Impairment Policy

The Bank has adopted a policy of impairment of loans and advances to customers. This policy sets out the guidelines for the process of assessing the impairment need and calculating the impairment provision. The Bank's Loans and Receivables Impairment Policy is set out in Note 2.7.5 above. In addition, a Provision Committee has been set up to oversee the proper implementation of the Loan and Receivables Impairment Policy.

4.3.6 Securities and other credit risk mitigation techniques

4.3.6.1 Loans and receivables to customers

The most common practice used by the Bank to reduce credit risk on loans and advances to customers is to obtain collateral. The Bank has implemented guidelines on the acceptance of specific types of collateral as described in the Bank's Policy for Collateral Valuation. In particular, in the Policy for Collateral Valuation clearly identifies all eligible collateral as forms of credit protection. The main categories of collateral are the following:

- Mortgages on real estate used for residential and/or commercial property
- Maritime mortgages
- Pledges on deposits, shares (listed and non-listed), gold, machinery, etc.
- Guarantees of the Greek State or Greek and European organizations
- Assignment of receivables (both incurred and non-incurred)
- Corporate or personal guarantees (including the former TEMPME guarantee)

The Bank, to ensure more complete monitoring and more efficient management of collateral secured by loans and receivables, but also in full compliance with the existing supervisory framework, has incorporated the collateral subsystem into the existing information systems. The collateral subsystem enables the collateral information to be extracted at various levels, the components of the collateral that allow its qualitative evaluation to be monitored, as well as the components that allow its value to be calculated.

4.3.6.2 Maximum exposure to credit risk

The maximum exposure to credit risk at 31.12.2021 and 31.12.2020 for the Group and the Bank, respectively, is as follows:

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
A. On-Balance Sheet Items Subject to Credit Risk				
Cash and balances at Central Banks	145,476,260	203,151,989	145,476,260	203,151,989
Due from banks	20,510,608	8,921,516	20,510,608	8,921,516
Financial assets at fair value through profit or loss	1,365,779	896,839	1,365,779	896,839
Financial assets at amortized cost	1,044,865	1,001,646	1,044,865	1,001,646
Loans and amounts due to customers	352,257,536	355,297,452	386,715,729	390,387,534
Holdings	47,534	112,114	10,659,452	8,576,677
Other due from customers and various debtors	15,979,664	8,522,362	10,324,845	5,005,329
Investment portfolio	10,693,574	4,945,398	3,187,078	3,060,015
Total value of On-Balance Sheet Items Subject to Credit Risk	**547,375,819**	**582,849,316**	**579,284,615**	**621,001,544**

B. Off-Balance Sheet Items Subject to Credit Risk				
Letters of guarantee, letters of credit and other guarantees	17,985,231	13,216,533	17,988,693	13,219,995
Total value of Off-Balance Sheet Items Subject to Credit Risk	**17,985,231**	**13,216,533**	**17,988,693**	**13,219,995**
Total Value of Exposures Subject to Credit Risk	**565,361,050**	**596,065,849**	**597,273,308**	**634,221,539**

Note: The Group's and the Bank's total unpaid loans and credit lines relate to limits that can be revoked at any time and amount to € 6.49 million at December 31, 2021 (2020: € 3.93 million for the Group and the Bank).

4.3.6.3 Recovery of securities

According to the Bank's Credit Policy, the existence and value of collateral are closely monitored. The frequency of property appraisals usually does not exceed one year for commercial real estate and three years for residential real estate. The valuations are carried out by specialized valuers, duly accepted by the Bank.

The value of collateral includes:

- Real estate collateral, and in particular prenotations/mortgages on commercial or residential real estate, excluding any prior liens, with a maximum amount being the minimum assurance value,
- Financial collateral, and in particular, pledges on deposits, stock traded in a primary index of an organized market, gold,
- Other collateral (such as maritime mortgages),
- Value of guarantees and in particular the value of collateral related to the former TEMPME guarantee.

According to the Bank's valuation policy, from 31/12/2021 real estate collateral can also be calculated using the statistical indexing method (prop-indexing method). The purpose is to have the most up-to-date real estate securities in the Bank's books.

The analysis of collateral and guarantees obtained to limit exposure to credit risk on loans and advances to customers is broken down by portfolio category and summarized in the following tables:

Analysis of collateral and guarantees - Group

	31 December 2021					31 December 2020				
	Collateral Value					Collateral Value				
	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees
Retail Banking	118,139	2,294	2,430	122,863	2,819	111,015	2,324	2,220	115,559	39
Business Banking	293,598	4,905	11,563	310,066	13,047	284,400	7,427	15,577	307,404	285
Public Sector	0	0	0	0	0	0	0	0	0	0
Total	**411,737**	**7,199**	**13,993**	**432,929**	**15,866**	**395,415**	**9,751**	**17,797**	**422,963**	**324**

Analysis of collateral and guarantees - Bank

	31 December 2021					31 December 2020				
	Collateral Value					Collateral Value				
	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees
Retail Banking	118,139	2,294	2,430	122,863	2,819	111,015	2,324	2,220	115,559	39
Business Banking	326,362	5,006	13,549	344,917	13,527	316,165	7,560	17,563	341,288	285
Public Sector	0	0	0	0	0	0	0	0	0	0
Total	**444,501**	**7,300**	**15,979**	**467,780**	**16,346**	**427,180**	**9,884**	**19,783**	**456,847**	**324**

In addition, there is a guarantee value of € 15.8m of the Hellenic Development Bank corresponding to disbursed loans of a total balance of € 19.7m during 31/12/2021, which relate to the provision of guaranteed loans to enhance the liquidity of the companies by the adverse effects of COVID-19. Also, there is a guarantee value of € 0.4m corresponding to disbursed loans of a total balance of € 0.5m, which concerns the EU Employment and Innovation Program (EaSI). This is a new EU program to promote sustainable employment and combat social exclusion.

4.3.6.4 Loan to Value Ratio

The Loan to Value Ratio reflects the relationship between the loan and the assurance value of the property held as collateral. The following are the loan balances and the number of borrowers depending on the LTV rate for the mortgage portfolio:

	Group		Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Less than 50%	2,734	2,438	2,734	2,438
50%-70%	3,553	3,858	3,553	3,858
71%-80%	3,349	2,343	3,349	2,343
81% -90%	2,579	1,187	2,579	1,187
91%-100%	1,480	2,104	1,480	2,104
101%-120%	1,855	2,311	1,855	2,311
121%-150%	2,882	2,176	2,882	2,176
More than 150%	4,760	5,159	4,760	5,159
Total	**23,192**	**21,576**	**23,192**	**21,576**
Ratio average	**107%**	**108%**	**107%**	**108%**

4.3.6.5 Loans and receivables to customers

The credit quality of loans and advances to customers is summarized as follows:

Loans and advances to customers by credit quality - Group

31 December 2021	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	22,330	**2**	**22,332**	**(561)**	**21,771**	**14,020**	**86**	**14,107**	**(745)**	**13,361**	**10,136**	**78,954**	**89,090**	**(31,962)**	**57,128**	**92,260**	**125,682**
Housing Loans	6,103	0	6,103	(20)	6,084	1,063	0	1,063	(53)	1,010	888	15,138	16,026	(4,037)	11,989	19,082	29,263
Consumer loans	4,287	0	4,287	(121)	4,166	1,079	0	1,079	(28)	1,051	1,200	8,614	9,814	(3,295)	6,519	11,735	14,249
Credit cards	0	0	0	0	0	0	0	0	0	0	0	492	492	(442)	49	49	20
Other loans	11,940	2	11,942	(421)	11,521	11,878	86	11,965	(664)	11,301	8,048	54,711	62,759	(24,188)	38,571	61,393	82,150
Business Banking	**119,704**	**0**	**119,705**	**(1,871)**	**117,834**	**62,309**	**0**	**62,309**	**(5,041)**	**57,268**	**18,899**	**125,769**	**144,668**	**(59,855)**	**84,813**	**259,915**	**323,114**
Large enterprises	12,346	0	12,346	(399)	11,947	9,253	0	9,253	(2,757)	6,495	0	2,618	2,618	(2,618)	0	18,443	15,617
Small and medium-sized enterprises SMEs	107,358	0	107.359	(1,472)	105,887	53,056	0	53,056	(2,284)	50,773	18,899	123,152	142,051	(57,237)	84,813	241,473	307,497
Public sector	**92**	**0**	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82**	**0**
Greece	92	0	92	(10)	82	0	0	0	0	0	0	0	0	0	0	82	0
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**142,127**	**3**	**142,129**	**(2,442)**	**139,687**	**76,329**	**86**	**76,415**	**(5,786)**	**70,629**	**29,035**	**204,724**	**233,758**	**(91,817)**	**141,941**	**352,258**	**448,796**

COOPERATIVE BANK OF CHANIA

Loans and advances to customers by credit quality - Bank

31 December 2021	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performin g	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performin g	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	22,330	**2**	**22,332**	**(561)**	**21,771**	**14,020**	**86**	**14,107**	**(745)**	**13,361**	**10,136**	**78,954**	**89,090**	**(31,962)**	**57,128**	**92,260**	**125,682**
Housing Loans	6,103	0	6,103	(20)	6,084	1,063	0	1,063	(53)	1,010	888	15,138	16,026	(4,037)	11,989	19,082	29,263
Consumer loans	4,287	0	4,287	(121)	4,166	1,079	0	1,079	(28)	1,051	1,200	8,614	9,814	(3,295)	6,519	11,735	14,249
Credit cards	0	0	0	0	0	0	0	0	0	0	0	492	492	(442)	49	49	20
Other loans	11,940	2	11,942	(421)	11,521	11,878	86	11,965	(664)	11,301	8,048	54,711	62,759	(24,188)	38,571	61,393	82,150
Business Banking	**154,164**	**0**	**154,165**	**(1,873)**	**152,292**	**62,309**	**0**	**62,309**	**(5,041)**	**57,268**	**18,899**	**125,769**	**144,668**	**(59,855)**	**84,813**	**294,373**	**358,445**
Large enterprises	12,346	0	12,346	(399)	11,947	9,253	0	9,253	(2,757)	6,495	0	2,618	2,618	(2,618)	0	18,443	15,617
Small and medium-sized enterprises SMEs	141,818	0	141,819	(1,474)	140,345	53,056	0	53,056	(2,284)	50,773	18,899	123,152	142,051	(57,237)	84,813	275,931	342,828
Public sector	**92**	**0**	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82**	**0**
Greece	92	0	92	(10)	82	0	0	0	0	0	0	0	0	0	0	82	0
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**176,587**	**3**	**176,589**	**(2,444)**	**174,145**	**76,329**	**86**	**76,415**	**(5,786)**	**70,629**	**29,035**	**204,724**	**233,758**	**(91,817)**	**141,941**	**386,716**	**484,127**

Loans and advances to customers by credit quality - Group

31 December 2020	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**26,921**	**-**	**26,921**	**(576)**	**26,345**	**15,256**	**-**	**15,256**	**(1,142)**	**14,114**	**7,777**	**69,278**	**77,055**	**(27,545)**	**49,510**	**89,969**	**115,599**
Housing Loans	6,016	-	6,016	(32)	5,985	(1,769)	-	(1,769)	(88)	1,680	1,564	12,228	13,792	(3,111)	10,681	18,346	26,856
Consumer loans	4,180	-	4,180	(76)	4,104	2,243	-	2,243	(108)	2,135	480	7,653	8,134	(3,275)	4,858	11,098	13,842
Credit cards	-	-	-	-	-	-	-	-	-	-	-	497	497	(448)	50	50	20
Other loans	16,724	-	16,724	(468)	16,256	11,244	-	11,244	(946)	10,299	5,732	48,900	54,632	(20,711)	33,920	60,475	74,881
Business Banking	**149,992**	**-**	**149,992**	**(2,533)**	**147,459**	**40,277**	**-**	**40,277**	**(1,642)**	**38,635**	**35,536**	**97,047**	**132,582**	**(53,469)**	**79,113**	**265,207**	**307,689**
Large enterprises	14,030	-	14,030	(761)	13,269	1,570	-	1,570	(40)	1,530	-	2,618	2,618	(2,618)	-	14,799	14,106
Small and medium-sized enterprises SMEs	135,962	-	135,962	(1,772)	134,190	38,706	-	38,706	(1,602)	37,104	35,536	94,429	129,964	(50,851)	79,113	250,408	293,583
Public sector	**150**	**-**	**150**	**(28)**	**122**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**122**	**-**
Greece	150	-	150	(28)	122	-	-	-	-	-	-	-	-	-	-	122	-
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**177,063**	**-**	**177,063**	**(3,137)**	**173,926**	**55,532**	**-**	**55,532**	**(2,783)**	**52,749**	**43,313**	**166,324**	**209,637**	**(81,014)**	**128,623**	**355,297**	**423,288**

Loans and advances to customers by credit quality - Bank

31 December 2020	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**26,921**	**-**	**26,921**	**(576)**	**26,345**	**15,256**	**-**	**15,256**	**(1,142)**	**14,114**	**7,777**	**69,278**	**77,055**	**(27,545)**	**49,510**	**89,969**	**115,599**
Housing Loans	6,016	-	6,016	(32)	5,985	(1,769)	-	(1,769)	(88)	1,680	1,564	12,228	13,792	(3,111)	10,681	18,346	26,856
Consumer loans	4,180	-	4,180	(76)	4,104	2,243	-	2,243	(108)	2,135	480	7,653	8,134	(3,275)	4,858	11,098	13,842
Credit cards	-	-	-	-	-	-	-	-	-	-	-	497	497	(448)	50	50	20
Other loans	16,724	-	16,724	(468)	16,256	11,244	-	11,244	(946)	10,299	5,732	48,900	54,632	(20,711)	33,920	60,475	74,881
Business Banking	**185,084**	**-**	**185,084**	**(2,535)**	**182,549**	**40,277**	**-**	**40,277**	**(1,642)**	**38,635**	**35,536**	**97,047**	**132,582**	**(53,469)**	**79,113**	**300,297**	**341,574**
Large enterprises	14,030	-	14,030	(761)	13,269	1,570	-	1,570	(40)	1,530	-	2,618	2,618	(2,618)	-	14,799	14,106
Small and medium-sized enterprises SMEs	171,054	-	171,054	(1,774)	169,280	38,706	-	38,706	(1,602)	37,104	35,536	94,429	129,964	(50,851)	79,113	285,498	327,468
Public sector	**150**	**-**	**150**	**(28)**	**122**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**122**	**-**
Greece	150	-	150	(28)	122	-	-	-	-	-	-	-	-	-	-	122	-
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**212,155**	**-**	**212,155**	**(3,139)**	**209,016**	**55,532**	**-**	**55,532**	**(2,783)**	**52,749**	**43,313**	**166,324**	**209,637**	**(81,014)**	**128,623**	**390,388**	**457,173**

The maturity (days in arrears) of loans and receivables against customers is summarized as follows:

31 December 2021	Maturity of loans and receivables (net worth) - Group															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,102	279	513	5,894	3,738	929	882	5,548	0	0	0	0	10,132	9,489	2,447	22,068
1-30 days	870	159	2	1,032	282	45	93	419	0	0	0	0	1,313	144	370	1,826
31-60 days	112	489	63	663	145	77	20	242	0	0	0	0	35	397	827	1,259
61-90 days	0	83	36	119	1	0	8	9	0	0	0	0	40	1,186	1,019	2,245
91-180 days	0	0	695	695	0	0	187	187	0	0	0	0	1	78	1,277	1,356
181-360 days	0	0	1,162	1,162	0	0	451	451	0	0	49	49	0	5	2,178	2,183
> 360 days	0	0	9,517	9,518	0	0	4,879	4,879	0	0	0	0	1	2	30,454	30,456
Total	**6,084**	**1,010**	**11,989**	**19,082**	**4,166**	**1,051**	**6,519**	**11,735**	**0**	**0**	**49**	**49**	**11,521**	**11,301**	**38,571**	**61,393**
Collateral value	11,501	1,468	16,294	**29,263**	3,081	1,321	9,847	**14,249**	0	0	20	**20**	17,065	10,519	54,566	**82,150**

31 December 2021	Maturity of loans and receivables (net worth) - Group															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	11,947	6,495	0	18,443	93,334	42,482	6,739	142,555	82	0	0	82	0	0	0	0
1-30 days	0	0	0	0	12,500	1,668	507	14,675	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	53	6,622	985	7,660	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	0	2,991	2,991	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	0	1,149	1,149	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	()	0	11,941	11,941	0	0	0	0	0	0	0	0
> 360 days	0	0	0	0	0	0	60,501	60,501	0	0	0	0	0	0	0	0
Total	**11,947**	**6,495**	**0**	**18,443**	**105,887**	**50,773**	**84,813**	**241,473**	**82**	**0**	**0**	**82**	**0**	**0**	**0**	**0**
Collateral value	6,977	0	8,640	**15,617**	133,084	49,408	125.004	**307,497**	0	0	0	**0**	0	0	0	**0**

31 December 2021	Maturity of loans and receivables (net worth) - Bank															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,102	279	513	5,894	3,738	929	882	5,548	0	0	0	0	10,132	9,489	2,447	22,068
1-30 days	870	159	2	1,032	282	45	93	419	0	0	0	0	1,313	144	370	1,826
31-60 days	112	489	63	663	145	77	20	242	0	0	0	0	35	397	827	1,259
61-90 days	0	83	36	119	1	0	8	9	0	0	0	0	40	1,186	1,019	2,245
91-180 days	0	0	695	695	0	0	187	187	0	0	0	0	1	78	1,277	1,356
181-360 days	0	0	1,162	1,162	0	0	451	451	0	0	49	49	0	5	2,178	2,183
> 360 days	0	0	9,517	9,518	0	0	4,879	4,879	0	0	0	0	1	2	30,454	30,456
Total	**6,084**	**1,010**	**11,989**	**19,082**	**4,166**	**1,051**	**6,519**	**11,735**	**0**	**0**	**49**	**49**	**11,521**	**11,301**	**38,571**	**61,393**
Collateral value	11,501	1,468	16,294	**29,263**	3,081	1,321	9,847	**14,249**	0	0	20	**20**	17,065	10,519	54,566	**82,150**

31 December 2021	Maturity of loans and receivables (net worth) - Bank															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	11,947	6,495	0	18,443	127,714	42,482	6,739	176,935	82	0	0	82	0	0	0	0
1-30 days	0	0	0	0	12,578	1,668	507	14,753	0	0	0	0	0	0	0	0
31-60 days	0	0	0	0	53	6,622	985	7,660	0	0	0	0	0	0	0	0
61-90 days	0	0	0	0	0	0	2,991	2,991	0	0	0	0	0	0	0	0
91-180 days	0	0	0	0	0	0	1,149	1,149	0	0	0	0	0	0	0	0
181-360 days	0	0	0	0	()	0	11,941	11,941	0	0	0	0	0	0	0	0
> 360 days	0	0	0	0	0	0	60,501	60,501	0	0	0	0	0	0	0	0
Total	**11,947**	**6,495**	**0**	**18,443**	**140,345**	**50,773**	**84,813**	**275,931**	**82**	**0**	**0**	**82**	**0**	**0**	**0**	**0**
Collateral value	6,977	0	8,640	**15,617**	168,416	49,408	125.004	**342,828**	0	0	0	**0**	0	0	0	**0**

31 December 2020	Maturity of loans and receivables (net worth) - Group															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,558	1,235	1,057	7,850	3,634	2,085	156	5,874	-	-	-	-	15,438	7,793	2,948	26,178
1-30 days	427	-	4	431	470	6	71	547	-	-	-	-	819	-	274	1,093
31-60 days	-	119	94	214	-	31	24	55	-	-	-	-	-	483	661	1,143
61-90 days	-	326	232	558	-	14	21	35	-	-	-	-	-	2,023	408	2,431
91-180 days	-	-	134	134	-	-	189	189	-	-	-	-	-	-	378	378
181-360 days	-	-	161	161	-	-	122	122	-	-	50	50	-	-	704	704
> 360 days	-	-	8,998	8,998	-	-	4,276	4,276	-	-	-	-	-	-	28,548	28,548
Total	**5,985**	**1,680**	**10,681**	**18,346**	**4,104**	**2,135**	**4,858**	**11,098**	**-**	**-**	**50**	**50**	**16,256**	**10,299**	**33,920**	**60,475**
Collateral value	10,763	2,293	13,800	**26,856**	3,130	2,667	8,045	**13,842**	-	-	20	**20**	18,094	7,277	49,510	**74,881**

31 December 2020	Maturity of loans and receivables (net worth) - Group															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	13,269	1,530	-	14,799	131,088	28,884	19,510	179,482	122	-	-	122	-	-	-	-
1-30 days	-	-	-	-	3,102	748	532	4,382	-	-	-	-	-	-	-	-
31-60 days	-	-	-	-	-	6,627	52	6,679	-	-	-	-	-	-	-	-
61-90 days	-	-	-	-	-	845	3,072	3,918	-	-	-	-	-	-	-	-
91-180 days	-	-	-	-	-	-	1,118	1,118	-	-	-	-	-	-	-	-
181-360 days	-	-	-	-	-	-	3,066	3,066	-	-	-	-	-	-	-	-
> 360 days	-	-	-	-	-	-	51,763	51,763	-	-	-	-	-	-	-	-
Total	**13,269**	**1,530**	-	**14,799**	**134,190**	**37,104**	**79,113**	**250,408**	**122**	**-**	**-**	**122**	**-**	**-**	**-**	**-**
Collateral value	5,466	-	8,640	**14,106**	144,513	40,423	108,648	**293,583**	-	-	-	**-**	-	-	-	**-**

31 December 2020	Maturity of loans and receivables (net worth) - Bank															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,558	1,235	1,057	7,850	3,634	2,085	156	5,874	-	-	-	-	15,438	7,793	2,948	26,178
1-30 days	427	-	4	431	470	6	71	547	-	-	-	-	819	-	274	1,093
31-60 days	-	119	94	214	-	31	24	55	-	-	-	-	-	483	661	1,143
61-90 days	-	326	232	558	-	14	21	35	-	-	-	-	-	2,023	408	2,431
91-180 days	-	-	134	134	-	-	189	189	-	-	-	-	-	-	378	378
181-360 days	-	-	161	161	-	-	122	122	-	-	50	50	-	-	704	704
> 360 days	-	-	8,998	8,998	-	-	4,276	4,276	-	-	-	-	-	-	28,548	28,548
Total	**5,985**	**1,680**	**10,681**	**18,346**	**4,104**	**2,135**	**4,858**	**11,098**	**-**	**-**	**50**	**50**	**16,256**	**10,299**	**33,920**	**60,475**
Collateral value	10,763	2,293	13,800	**26,856**	3,130	2,667	8,045	**13,842**	-	-	20	**20**	18,094	7,277	49,510	**74,881**

31 December 2020	Maturity of loans and receivables (net worth) - Bank															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	13,269	1,530	-	14,799	166,089	28,884	19,510	214,483	122	-	-	122	-	-	-	-
1-30 days	-	-	-	-	3,191	748	532	4.471	-	-	-	-	-	-	-	-
31-60 days	-	-	-	-	-	6,627	52	6,679	-	-	-	-	-	-	-	-
61-90 days	-	-	-	-	-	845	3,072	3,918	-	-	-	-	-	-	-	-
91-180 days	-	-	-	-	-	-	1,118	1,118	-	-	-	-	-	-	-	-
181-360 days	-	-	-	-	-	-	3,066	3,066	-	-	-	-	-	-	-	-
> 360 days	-	-	-	-	-	-	51,763	51,763	-	-	-	-	-	-	-	-
Total	**13,269**	**1,530**	**-**	**14,799**	**169,280**	**37,104**	**79,113**	**285,498**	**122**	**-**	**-**	**122**	**-**	**-**	**-**	**-**
Collateral value	5,466	-	8,640	**14,106**	178,397	40,423	108,648	**327,468**	-	-	-	**-**	-	-	-	**-**

4.3.6.6 Impaired loans

Loans and advances to customers in accordance with the Bank's Impairment Policy are loans and receivables classified as Stage 3 (and are therefore considered exposures in Default). The Bank applies the default definition for the purpose of preparing its financial statements, in accordance with the definition of Non-Performing Exposures (NPEs) as defined by the European Banking Authority in the Guidelines on the implementation of the definition of default under Article 178 of Regulation (EU) No 575/2013, and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. In view of the above, the Bank considers that a borrower or loan is in default of its contractual obligations when the following criteria are met:

- The borrower is late in payment of more than 90 days on any significant credit liability to the Bank.
- The Bank considers that the creditor is unable to fully meet their contractual obligations to the Bank (Unlikely to Pay "UTP") unless the Bank seeks to liquidate its collateral.
- The loan is classified as Non-Performing Forborne Exposure in accordance with Article 180 of Regulation (EU) No 227/2015.

Finally, it is noted that the Bank, in cooperation with an advisory company, completed within the year its adaptation to the supervisory requirements deriving from the text of the Guidelines of the European Banking Authority (EBA GL/2016/07), regarding the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. In this way, the calculation of the expected credit losses defined by this accounting standard (IFRS 9) for impaired loans continues to be fully aligned with the supervisory definition of default.

4.3.6.7 Transfer of loans to the category of non-impaired

Impaired loans can be classified as non-impaired if there is objective evidence, after the impairment loss has been recognized, that the possibility of repayment under the original or any modified contractual terms may arise. According to the Bank's Impairment Policy, the reclassification of an exposure from Stage 3 to Stage 1 or 2 is an indication of exit from the Non-default status.

The analysis of transition flows for exposures and provisions, between impaired and non-impaired loans, by portfolio and Stage, is detailed in section 4.4.4.

4.3.6.8 Accounting policy for the recognition of accrued interest on impaired loans

The Bank and the Group have recognized income from credit impaired loans in their financial statements, the income analysis is presented in the following tables.

Interest income analysis of loans and advances to customers - Bank

31 December 2021

	Performing	Non-performing	Total interest income
Retail Banking	2,777	5,220	7,997
Business Banking	12,804	7,018	19,822
Public sector	12	0	12
Total interest income	**15,593**	**12,238**	**27,831**

Interest income analysis of loans and advances to customers - Group

31 December 2021

	Performing	Non-performing	Total interest income
Retail Banking	2,782	5,220	8,002
Business Banking	10,315	7,018	17,333
Public sector	12	0	12
Total interest income	**13,109**	**12,238**	**25,347**

Interest income analysis of loans and advances to customers - Bank

31 December 2020

	Performing	Non-performing	Total interest income
Retail Banking	2,944	4,860	7,804
Business Banking	12,640	6,764	19,404
Public sector	18	-	18
Total interest income	**15,602**	**11,624**	**27,226**

Interest income analysis of loans and advances to customers - Group

31 December 2020

	Performing	Non-performing	Total interest income
Retail Banking	2,944	4,860	7,804
Business Banking	9,615	6,764	16,379
Public sector	18	-	18
Total interest income	**12,577**	**11,624**	**24,201**

4.4 Loan forbearances

Forbearances apply in cases where the borrower's financial inability to service the loan in accordance with the original terms of the loan agreement is verified, provided that it is a cooperative and viable borrower. By assessing these difficulties, the Bank amends the terms of the loan agreement so that the debtor can service it, provided that the forbearances are effective and sustainable in the long run, taking into account both the reasons that have caused such financial difficulties and the debtor’s possibility of repayment.

The Bank is aligned with its supervisory obligations regarding the management of loans in arrears and the non-performing loans, being in line with the Implementing Committee Acts and other instructions of the Bank of Greece, in parallel with the applicable obligations arising from Law 4261/2014, Regulation (EU) No 575/2013 and those delegated decisions of the Bank of Greece, as well as in accordance with European Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 and the applicable implementing standards of the European Banking Authority.

For the retail portfolio, the forbearances usually involve extending the term of the original loan, providing a grace period - with or without interest only for that period - interest rate reductions and other modifications according to the needs of each borrower.

The Bank applies the proposed by the regulatory framework forbearance types, which are classified into:

- Short-term types of settlement: apply where the debtor’s financial difficulties are duly considered to be temporary. Indicatively: Capitalization of Arrears, Interest Only Payment, Provision of grace period etc.
- Long-term arrangement types: apply for a longer period of time to reduce installment and to possibly increase the number and extend repayment term. Indicatively: Interest Rate Reduction, Extension of Term, etc.
- Types of final arrangement: relate to cases where the contractual relationship is substantially terminated or changed, with a view to the final settlement of the bank’s claim against the debtor. Indicatively: Voluntary Delivery of Mortgaged Property, Claims Settlement, Liquidation through Auction, Mandatory Law Settlements, Partial Debt Write-Off etc.

For the business portfolio, the forbearances applied vary between different repayment plans, which are adapted to current market conditions and the borrower's ability to repay the loan, such as extending the loan term depending on the borrower and his/her needs, converting the type of borrowing from short-term to long-term, paying interest only for a certain period of time, etc.

For both the business portfolio and the retail banking portfolios, the Bank's respective Regulation of Arrears and Credit Regulation contain instructions - procedures that fully reflect all the forbearance types provided, the conditions to be met by borrowers, and the handling and monitoring of forborne loans from the approval stage to the termination stage of the contract.

The impairment provision is calculated on an individual or collective basis per borrower, according to the calculation methodology applied by the Bank for the entire portfolio.

The Bank's criteria for designating a loan as forborne are fully in line with the European Banking Authority's Implementing Technical Standards for regulatory and non-performing exposures, for both supervisory and financial reporting purposes.

Accordingly, forborne loans are all loans whose contractual terms and conditions have been amended or for which the debtor's debt has been refinanced on more favorable terms due to existing or expected financial difficulty, which are not applied to debtors in a similar risk category.

In the context of the Bank's lending policy compliance with the relevant definitions of the European Banking Authority and the Bank of Greece guidelines, new structures and procedures are in place, IT systems have been developed, and the existing applications and services have been modified. Specifically, the Arrears Handling Division is an independent management body of the Bank with the following key tasks:

a) to ensure the effective and reliable management of non-performing loans for the entire portfolio of the Bank

b) to make arrangements to ensure the viability of borrowers, while maximizing profitability for the Bank; and

c) to monitor the effectiveness of the different types of arrangements

The Arrears Management Division is not involved in the process of lending, nor in the management of the performing segment of the Bank's portfolio.

The following table summarizes the forborne Loans and Receivables by Customer by type of forbearance, as well as Loans and Receivables by Customer for which Final Settlement Solutions are set:

Analysis of Forborne Loans and Receivables to Customers by type of settlement (net amounts)

	Group		Bank	
Types of forbearance	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Reduced installment plan	315	1,808	315	1,808
Granting a grace period	13.911	5,354	13.911	5,354
Loan term extension	8,474	5,044	8,474	5,044
Capitalization of overdue installments	28,751	39,775	28,751	39,775
Combination of settlement measures	1,282	8,378	1,282	8,378
Other	29,595	27,667	29,595	27,667
Total net worth	**82,328**	**88,026**	**82,328**	**88,026**

Refinanced Loans and Receivables by Customer by Category

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Retail Banking	**17,291**	**20,865**	**17,291**	**20,865**
Housing Loans	1,964	3,085	1,964	3,085
Consumer loans	2,846	3,099	2,846	3,099
Credit cards	0	-	0	-
Other loans	12,481	14,680	12,481	14,680
Business Banking	**65,037**	**67,161**	**65,037**	**67,161**
Large enterprises	6,495	1,530	6,495	1,530
SMEs	58,542	65,631	58,542	65,631
Public sector	**0**	**-**	**0**	**-**
Greece	0	-	0	-
Other countries	0	-	0	-
Total	**82,328**	**88,026**	**82,328**	**88,026**

4.4.1 Recovery of collateral

As of December 31, 2021, assets from collateral received for the Bank and the Group amounted to € 36.2 million (31/12/2020: € 29.8 million), of which € 27.6 for 2021 has been categorized in Investment Property (31/12/2020: 18.2 million).

4.4.2 Credit risk allocation of loans and receivables to customers

The breakdown of the exposures and provisions of the Group and the Bank by Stage and Forbearance is summarized in the following tables:

Analysis of Forborne Loans and Receivables to Customers based on their credit quality

	Group			Bank		
	31 December 2021			31 December 2021		
	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans
Stage 1	142,129	0	0%	176,589	0	0%
Stage 2	76,415	46,283	61%	76,415	46,283	61%
Stage 3	233,758	59,964	26%	233,758	59,964	26%
Total before impairment provisions	**452,302**	**106,247**	**23%**	**486,762**	**106,247**	**22%**
Stage 1 - Provision	(2,442)	0	0%	(2,444)	0	0%
Stage 2 - Provision	(5,786)	(4,352)	75%	(5,786)	(4,352)	75%
Stage 3 - Provision	(91,817)	(19,567)	21%	(91,817)	(19,567)	21%
Accounting Balance (net worth)	**352,257**	**82,328**	**23%**	**386,715**	**82,328**	**21%**
Security received	452,179	100,712	22%	487,510	100,712	21%

COOPERATIVE BANK OF CHANIA

Analysis of Forborne Loans and Receivables to Customers based on their credit quality

	Group			Bank		
	31 December 2020			31 December 2020		
	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans
Stage 1	177,063	0	0%	212,155	0	0%
Stage 2	55,532	42,008	76%	55,532	42,008	76%
Stage 3	209,637	66,132	32%	209,637	66,132	32%
Total before impairment provisions	**442,232**	**108,140**	**24%**	**477,324**	**108,140**	**23%**
Stage 1 - Provision	(3,137)	0	0%	(3,139)	0	0%
Stage 2 - Provision	(2,783)	(2,417)	87%	(2,783)	(2,417)	87%
Stage 3 - Provision	(81,014)	(17,698)	22%	(81,014)	(17,698)	22%
Accounting Balance (net worth)	**355,298**	**88,025**	**25%**	**390,388**	**88,025**	**23%**
Security received	426,955	97,908	23%	460,840	97,908	21%

The following table presents the credit risk assessment by rating. The assessment covers the next 12 months from the date of rating of the debtor.

Grading	Risk Level
A	Low
B	
C	Average
D	
E	
F	High
G	
H	
I	Very high

The Bank, in accordance with its Credit Regulation, evaluates the credit rating of each business customer (existing or prospective) at least once a year, in combination with other quantitative and qualitative credit criteria, such as repayment capacity, cooperation history, existing and proposed securities, etc. There is no recorded credit risk limit beyond which no financing is offered, as financing decisions are individual and tailor-made on a case-by-case basis taking account of the special characteristics of the relevant borrower.

Within the year 2021, the Bank, as mentioned above, proceeded to the purchase of a new credit rating system by ICAP CRIF. The new system called ICAP Risk Profiler is expected to be fully operational by 2022.

4.4.3 Credit risk allocation of loans and advances to customers by sector of activity

Group

31 December 2021	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**22,332**	**(562)**	**21,770**	**14,107**	**(745)**	**13,362**	**89,091**	**(31,962)**	**57,129**	**92,261**
Housing Loans	6,103	(20)	6,083	1,063	(53)	1,010	16,026	(4,037)	11,989	19,082
Consumer loans	4,287	(121)	4,166	1,079	(28)	1,051	9,814	(3,295)	6,519	11,736
Credit cards	0	0	0	0	0	0	492	(442)	50	50
Other loans	11,942	(421)	11,521	11,965	(664)	11,301	62,759	(24,188)	38,571	61,393
Business Banking	**119,705**	**(1,870)**	**117,835**	**62,308**	**(5,040)**	**57,268**	**144,668**	**(59,856)**	**84,812**	**259,915**
Industry	20,321	(577)	19,744	3,946	(111)	3,835	29,926	(17,837)	12,089	35,668
Trade and services	33,981	(566)	33,415	11,853	(2,587)	9,266	43,587	(18,615)	24,972	67,653
Constructions	14,849	(517)	14,332	19,997	(468)	19,529	37,833	(18,288)	19,545	53,406
Energy	4,461	(103)	4,358	2,759	(525)	2,234	113	(31)	82	6,674
Tourism	41,461	(102)	41,359	21,507	(543)	20,964	30,941	(4,026)	26,915	89,238
Shipping	2,529	0	2,529	435	0	435	69	(51)	18	2,982
Other	2,103	(5)	2,098	1,811	(806)	1,005	2,199	(1,008)	1,191	4,294
Public sector	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**82**
Total	**142,129**	**(2,442)**	**139,687**	**76,415**	**(5,785)**	**70,630**	**233,759**	**(91,818)**	**141,941**	**352,258**

Bank

31 December 2021	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**22,332**	**(562)**	**21,770**	**14,107**	**(745)**	**13,362**	**89,091**	**(31,962)**	**57,129**	**92,261**
Housing Loans	6,103	(20)	6,083	1,063	(53)	1,010	16,026	(4,037)	11,989	19,082
Consumer loans	4,287	(121)	4,166	1,079	(28)	1,051	9,814	(3,295)	6,519	11,736
Credit cards	0	0	0	0	0	0	492	(442)	50	50
Other loans	11,942	(421)	11,521	11,965	(664)	11,301	62,759	(24,188)	38,571	61,393
Business Banking	**154,165**	**(1,873)**	**152,292**	**62,308**	**(5,040)**	**57,268**	**144,668**	**(59,856)**	**84,812**	**294,372**
Industry	24,962	(577)	24,385	3,946	(111)	3,835	29,926	(17,837)	12,089	40,309
Trade and services	49,347	(567)	48,780	11,853	(2,587)	9,266	43,587	(18,615)	24,972	83,018
Constructions	27,097	(518)	26,579	19,997	(468)	19,529	37,833	(18,288)	19,545	65,653
Energy	6,666	(104)	6,562	2,759	(525)	2,234	113	(31)	82	8,878
Tourism	41,461	(102)	41,359	21,507	(543)	20,964	30,941	(4,026)	26,915	89,238
Shipping	2,529	0	2,529	435	0	435	69	(51)	18	2,982
Other	2,103	(5)	2,098	1,811	(806)	1,005	2,199	(1,008)	1,191	4,294
Public sector	**92**	**(10)**	**82**	**0**	**0**	**0**	**0**	**0**	**0**	**82**
Total	**176,589**	**(2,445)**	**174,144**	**76,415**	**(5,785)**	**70,630**	**233,759**	**(91,818)**	**141,941**	**386,715**

Group

31 December 2020	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**26,920**	**(576)**	**26,344**	**15,256**	**(1,142)**	**14,114**	**77,055**	**(27,545)**	**49,510**	**89,968**
Housing Loans	6,016	(32)	5,984	(1,769)	(88)	1,681	13,792	(3,111)	10,681	18,346
Consumer loans	4,180	(76)	4,104	2,243	(108)	2,135	8,134	(3,275)	4,859	11,098
Credit cards	-	-	-	-	-	-	497	(448)	49	49
Other loans	16,724	(468)	16,256	11,244	(946)	10,298	54,632	(20,711)	33,921	60,475
Business Banking	**149,992**	**(2,533)**	**147,459**	**40,276**	**(1,642)**	**38,634**	**132,582**	**(53,469)**	**79,113**	**265,206**
Industry	27,621	(294)	27,327	1,778	(171)	1,607	27,870	(14,945)	12,925	41,859
Trade and services	39,259	(1,253)	38,006	8,892	(615)	8,277	38,676	(16,760)	21,916	68,199
Constructions	14,452	(335)	14,117	19,258	(598)	18,660	36,798	(16,398)	20,400	53,177
Energy	8,690	(21)	8,669	129	(1)	128	63	(27)	36	8,833
Tourism	52,603	(215)	52,388	10,210	(257)	9,953	27,741	(4,541)	23,200	85,541
Shipping	2,815	-	2,815	-	-	-	66	(48)	18	2,833
Other	4,552	(415)	4,137	9	-	9	1,368	(750)	618	4,764
Public sector	**150**	**(28)**	**122**	**-**	**-**	**-**	**-**	**-**	**-**	**122**
Total	**177,062**	**(3,137)**	**173,925**	**55,532**	**(2,784)**	**52,748**	**209,637**	**(81,014)**	**128,623**	**355,296**

Bank

31 December 2020	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**26,920**	**(576)**	**26,344**	**15,256**	**(1,142)**	**14,114**	**77,055**	**(27,545)**	**49,510**	**89,968**
Housing Loans	6,016	(32)	5,984	(1,769)	(88)	1,681	13,792	(3,111)	10,681	18,346
Consumer loans	4,180	(76)	4,104	2,243	(108)	2,135	8,134	(3,275)	4,859	11,098
Credit cards	-	-	-	-	-	-	497	(448)	49	49
Other loans	16,724	(468)	16,256	11,244	(946)	10,298	54,632	(20,711)	33,921	60,475
Business Banking	**185,084**	**(2,535)**	**182,549**	**40,276**	**(1,642)**	**38,634**	**132,582**	**(53,469)**	**79,113**	**300,296**
Industry	30,457	(294)	30,163	1,778	(171)	1,607	27,870	(14,945)	12,925	44,695
Trade and services	53,313	(1,254)	52,059	8,892	(615)	8,277	38,676	(16,760)	21,916	82,252
Constructions	29,819	(335)	29,484	19,258	(598)	18,660	36,798	(16,398)	20,400	68,544
Energy	11,525	(22)	11,503	129	(1)	128	63	(27)	36	11,667
Tourism	52,603	(215)	52,388	10,210	(257)	9,953	27,741	(4,541)	23,200	85,541
Shipping	2,815	-	2,815	-	-	-	66	(48)	18	2,833
Other	4,552	(415)	4,137	9	-	9	1,368	(750)	618	4,764
Public sector	**150**	**(28)**	**122**	**-**	**-**	**-**	**-**	**-**	**-**	**122**
Total	**212,154**	**(3,139)**	**209,015**	**55,532**	**(2,784)**	**52,748**	**209,637**	**(81,014)**	**128,623**	**390,386**

4.4.4 Transition of provisions and transfers to IFRS 9 Stages

Transition of Provisions 31/12/2020 - 31/12/2021 (Group)

	31 December 2020			31 December 2021		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	121	5,799	5,920	232	7,997	8,229
Non-performing	59,020	21,994	81,014	70,623	21,193	91,816
Total	**59,141**	**27,793**	**86,934**	**70,855**	**29,190**	**100,045**

Transition of Provisions 31/12/2020 - 31/12/2021 for the Guarantees and Commitments drawn (Group)

	31 December 2020			31 December 2021		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	1	19	20	0	39	39
Non-performing	0	0	0	0	0	0
Total	**1**	**19**	**20**	**0**	**39**	**39**

Transition of Provisions 31/12/2020 - 31/12/2021 (Bank)

	31 December 2020			31 December 2021		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	121	5,802	5,923	232	7,999	8,231
Non-performing	59,020	21,994	81,014	70,623	21,193	91,816
Total	**59,141**	**27,796**	**86,937**	**70,855**	**29,192**	**100,047**

Transition of Provisions 31/12/2020 - 31/12/2021 for the Guarantees and Commitments drawn (Bank)

	31 December 2020			31 December 2021		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	1	19	20	0	39	39
Non-performing	0	0	1	0	0	0
Total	**1**	**19**	**20**	**0**	**39**	**39**

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**177,063**	**55,532**	**209,637**	-	**442,232**
Transfer to Stage 1 (from 2 or 3)	6,679	(6,374)	(305)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(32,233)	35,237	(3,005)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(3,853)	(9,747)	13.600	-	**-**
Change of balances	(3,212)	1,902	14,646	-	**13,336**
New receivables (created or purchased)	9,504	0	0	-	**9,503**
Derecognition of receivables	(11,818)	(135)	(743)	-	**(12,696)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**142,129**	**76,415**	**233,758**	**-**	**452,303**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**149,992**	**40,277**	**132,582**	-	**322,851**
Transfer to Stage 1 (from 2 or 3)	5,833	(5,833)	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	(27,611)	28,811	(1,198)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(2,129)	(3,802)	5,930	-	**-**
Change of balances	(1,986)	2,901	7.901	-	**8,816**
New receivables (created or purchased)	6,507	0	0	-	**6,507**
Derecognition of receivables	(10,902)	(45)	(496)	-	**(11,443)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**119,705**	**62,309**	**144,668**	**-**	**326,682**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**26,921**	**15,256**	**77,055**	-	**119,231**
Transfer to Stage 1 (from 2 or 3)	836	(541)	(295)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(4,620)	6,426	(1,806)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1,734)	(5,945)	7,679	-	**-**
Change of balances	(1,151)	(1,000)	6,726	-	**4,575**
New receivables (created or purchased)	2,996	0	0	-	**2,996**
Derecognition of receivables	(916)	(89)	(248)	-	**(1,253)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**22,332**	**14,107**	**89,090**	**-**	**125,529**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**150**	**0**	**0**	-	**150**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(58)	0	0	-	**(58)**
New receivables (created or purchased)	0	0	0	-	**-**
Derecognition of receivables	0	0	0	-	**-**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**92**	**0**	**0**	**-**	**92**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**13,235**	**9**	**814**	-	**14,058**
Transfer to Stage 1 (from 2 or 3)	3,432	(3)	(28)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(77)	79	(1)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(15)	0	15	-	**-**
Change of balances	(2,110)	125	(658)	-	**(2,643)**
New receivables (created or purchased)	6,157	0	0	-	**6,157**
Derecognition of receivables	(2,512)	(5)	(12)	-	**(2,529)**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**18,111**	**204**	**129**	**-**	**18,443**

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**212,155**	**55,532**	**209,637**	-	**477,324**
Transfer to Stage 1 (from 2 or 3)	6,679	(6,374)	(305)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(32,231)	35,237	(3,005)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(3,853)	(9,747)	13.600	-	**-**
Change of balances	(3,604)	1,902	14,646	-	**12,945**
New receivables (created or purchased)	9,579	0	0	-	**9,579**
Derecognition of receivables	(12,136)	(135)	(743)	-	**(13,015)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**176,589**	**76,415**	**233,758**	**-**	**486,763**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**185,084**	**40,277**	**132,582**	-	**357,943**
Transfer to Stage 1 (from 2 or 3)	5,833	(5,833)	()	-	**-**
Transfer to Stage 2 (from 1 or 3)	(27,611)	28,811	(1,198)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(2,129)	(3,802)	5,930	-	**-**
Change of balances	(2,299)	2,901	7.901	-	**8,503**
New receivables (created or purchased)	6,507	0	0	-	**6,507**
Derecognition of receivables	(11,221)	(45)	(496)	-	**(11,762)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**154,165**	**62,309**	**144,668**	**-**	**361,142**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**26,921**	**15,256**	**77,055**	-	**119,231**
Transfer to Stage 1 (from 2 or 3)	836	(541)	(295)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(4,620)	6,426	(1,806)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1,734)	(5,945)	7,679	-	**-**
Change of balances	(1,151)	(1,000)	6,726	-	**4,575**
New receivables (created or purchased)	2,996	0	0	-	**2,996**
Derecognition of receivables	(916)	(89)	(248)	-	**(1,253)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**22,332**	**14,107**	**89,090**	**-**	**125,529**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**150**	**0**	**0**	-	**150**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(58)	0	0	-	**(58)**
New receivables (created or purchased)	0	0	0	-	**-**
Derecognition of receivables	0	0	0	-	**-**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**92**	**0**	**0**	**-**	**92**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**13,256**	**9**	**814**	-	**14,079**
Transfer to Stage 1 (from 2 or 3)	3,432	(3)	(28)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(77)	79	(1)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(15)	0	15	-	**-**
Change of balances	(2,035)	125	(658)	-	**(2,569)**
New receivables (created or purchased)	6,157	0	0	-	**6,157**
Derecognition of receivables	(2,512)	(5)	(12)	-	**(2,529)**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**18,206**	**204**	**129**	**-**	**18,539**

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2020	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**158,040**	**55,733**	**201,546**	-	**415,319**
Transfer to Stage 1 (from 2 or 3)	12,833	(12,498)	(335)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(6,907)	9,492	(2,585)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4,398)	(1,023)	5,420	-	**-**
Change of balances	5,717	4,047	8,761	-	**18,525**
New receivables (created or purchased)	15,291	-	-	-	**15,291**
Derecognition of receivables	(3,514)	(219)	(550)	-	**(4,283)**
Write-offs	-	-	(2,620)	-	**(2,620)**
Balances on 31/12/2020	**177,063**	**55,532**	**209,637**	**-**	**442,232**

31 December 2020	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**132,482**	**41,362**	**128,686**	-	**302,530**
Transfer to Stage 1 (from 2 or 3)	11,548	(11,347)	(201)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(5,523)	6,219	(696)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4,029)	(380)	4,409	-	**-**
Change of balances	6,228	4,458	3,043	-	**13,728**
New receivables (created or purchased)	11,231	-	-	-	**11,231**
Derecognition of receivables	(1,946)	(35)	(38)	-	**(2,019)**
Write-offs	-	-	(2,619)	-	**(2,619)**
Balances on 31/12/2020	**149,992**	**40,277**	**132,582**	**-**	**322,851**

COOPERATIVE BANK OF CHANIA

31 December 2020	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**25,351**	**14,371**	**72,860**	-	**112,583**
Transfer to Stage 1 (from 2 or 3)	1,285	(1,151)	(134)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(1,385)	3,273	(1,889)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(369)	(643)	1,012	-	**-**
Change of balances	(454)	(411)	5,717	-	**4,853**
New receivables (created or purchased)	4,060	-	-	-	**4,060**
Derecognition of receivables	(1,568)	(184)	(512)	-	**(2,264)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**26,921**	**15,256**	**77,055**	**-**	**119,231**

31 December 2020	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**207**	**-**	**-**	-	**207**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(57)	-	-	-	**(57)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**150**	**-**	**-**	**-**	**150**

31 December 2020	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**18,684**	**5**	**759**	-	**19,448**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	(3)	3	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	(157)	-	158	-	**-**
Change of balances	521	1	70	-	**591**
New receivables (created or purchased)	2,794	-	-	-	**2,794**
Derecognition of receivables	(8,603)	-	(172)	-	**(8,776)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**13,235**	**9**	**814**	**-**	**14,058**

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2020	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**195,894**	**55,733**	**201,546**	-	**453,174**
Transfer to Stage 1 (from 2 or 3)	12,833	(12,498)	(335)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(6,907)	9,492	(2,585)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4,398)	(1,023)	5,420	-	**-**
Change of balances	8,619	4,047	8,761	-	**21,427**
New receivables (created or purchased)	15,443	-	-	-	**15,443**
Derecognition of receivables	(9,331)	(219)	(550)	-	**(10,100)**
Write-offs	-	-	(2,620)	-	**(2,620)**
Balances on 31/12/2020	**212,155**	**55,532**	**209,637**	**-**	**477,324**

31 December 2020	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**170,337**	**41,362**	**128,686**	-	**340,384**
Transfer to Stage 1 (from 2 or 3)	11,548	(11,347)	(201)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(5,523)	6,219	(696)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4,029)	(380)	4,409	-	**-**
Change of balances	9,282	4,458	3,043	-	**16,783**
New receivables (created or purchased)	11,231	-	-	-	**11,231**
Derecognition of receivables	(7,763)	(35)	(38)	-	**(7,835)**
Write-offs	-	-	(2,619)	-	**(2,619)**
Balances on 31/12/2020	**185,084**	**40,277**	**132,582**	**-**	**357,943**

31 December 2020	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**25,351**	**14,371**	**72,860**	-	**112,583**
Transfer to Stage 1 (from 2 or 3)	1,285	(1,151)	(134)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(1,385)	3,273	(1,889)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(369)	(643)	1,012	-	**-**
Change of balances	(454)	(411)	5,717	-	**4,853**
New receivables (created or purchased)	4,060	-	-	-	**4,060**
Derecognition of receivables	(1,568)	(184)	(512)	-	**(2,264)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**26,921**	**15,256**	**77,055**	**-**	**119,231**

31 December 2020	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**207**	**-**	**-**	-	**207**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(57)	-	-	-	**(57)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**150**	**-**	**-**	**-**	**150**

31 December 2020	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**18,687**	**5**	**759**	-	**19,452**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	(3)	3	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	(157)	-	158	-	**-**
Change of balances	539	1	70	-	**609**
New receivables (created or purchased)	2,794	-	-	-	**2,794**
Derecognition of receivables	(8,603)	-	(172)	-	**(8,776)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**13,256**	**9**	**814**	**-**	**14,079**

Accumulated impairment losses per IFRS 9 Stage - Group

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**3,137**	**2,783**	**81,014**	-	**86,934**
Transfer to Stage 1 (from 2 or 3)	286	(109)	(177)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(980)	1,670	(690)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(244)	(759)	1,003	-	**-**
Change of balances	265	2,207	11,215	-	**13,687**
New receivables (created or purchased)	58	0	0	-	**58**
Derecognition of receivables	(80)	(7)	(476)	-	**(562)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**2,442**	**5,786**	**91,817**	**-**	**100,045**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**2,533**	**1,642**	**53,469**	-	**57,644**
Transfer to Stage 1 (from 2 or 3)	85	(85)	()	-	**-**
Transfer to Stage 2 (from 1 or 3)	(848)	1,225	(376)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(848)	(313)	459	-	**-**
Change of balances	983	2,576	6,726	-	**10,285**
New receivables (created or purchased)	14	0	0	-	**14**
Derecognition of receivables	(48)	(3)	(372)	-	**(422)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**1,871**	**5,041**	**59,855**	**-**	**66,767**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**576**	**1,142**	**27,545**	-	**29,263**
Transfer to Stage 1 (from 2 or 3)	193	(23)	(169)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(132)	445	(314)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(107)	(446)	552	-	**-**
Change of balances	19	(369)	4,473	-	**4,123**
New receivables (created or purchased)	44	0	0	-	**44**
Derecognition of receivables	(32)	(4)	(104)	-	**(140)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**561**	**745**	**31,962**	**-**	**33,269**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**28**	**0**	**0**	-	**28**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(18)	0	0	-	**(18)**
New receivables (created or purchased)	0	0	0	-	**-**
Derecognition of receivables	0	0	0	-	**-**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**10**	**0**	**0**	**-**	**10**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**19**	**0**	**0**	-	**20**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	4	0	0	-	**4**
New receivables (created or purchased)	21	0	0	-	**21**
Derecognition of receivables	(5)	0	0	-	**(5)**
Write-offs	0	0	0	-	**-**
Balances on 31/12/2021	**39**	**0**	**0**	**-**	**39**

Accumulated impairment losses per IFRS 9 Stage - Bank

31 December 2021	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**3,139**	**2,783**	**81,014**	-	**86,937**
Transfer to Stage 1 (from 2 or 3)	286	(109)	(177)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(980)	1,670	(690)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(244)	(759)	1,003	-	**-**
Change of balances	265	2,207	11,215	-	**13,687**
New receivables (created or purchased)	58	0	0	-	**58**
Derecognition of receivables	(80)	(7)	(476)	-	**(562)**
Write-offs	0	0	(72)	-	**(72)**
Balances on 31/12/2021	**2,444**	**5,786**	**91,817**	**-**	**100,047**

31 December 2021	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**2,535**	**1,642**	**53,469**	-	**57,646**
Transfer to Stage 1 (from 2 or 3)	85	(85)	()	-	**-**
Transfer to Stage 2 (from 1 or 3)	(848)	1,225	(376)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(146)	(313)	459	-	**-**
Change of balances	280	2,576	6,726	-	**9,582**
New receivables (created or purchased)	14	0	0	-	**14**
Derecognition of receivables	(48)	(3)	(372)	-	**(422)**
Write-offs	0	0	(51)	-	**(51)**
Balances on 31/12/2021	**1,873**	**5,041**	**59,855**	**-**	**66,769**

31 December 2021	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**576**	**1,142**	**27,545**	-	**29,263**
Transfer to Stage 1 (from 2 or 3)	193	(23)	(169)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(132)	445	(314)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(107)	(446)	552	-	**-**
Change of balances	19	(369)	4,473	-	**4,123**
New receivables (created or purchased)	44	0	0	-	**44**
Derecognition of receivables	(32)	(4)	(104)	-	**(140)**
Write-offs	0	0	(21)	-	**(21)**
Balances on 31/12/2021	**561**	**745**	**31,962**	**-**	**33,269**

31 December 2021	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**28**	**0**	**0**	-	**28**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	(18)	0	0	-	**(18)**
New receivables (created or purchased)	0	0	0	-	**0**
Derecognition of receivables	0	0	0	-	**0**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2021	**10**	**0**	**0**	**-**	**10**

31 December 2021	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2021	**19**	**0**	**0**	-	**20**
Transfer to Stage 1 (from 2 or 3)	0	0	0	-	**-**
Transfer to Stage 2 (from 1 or 3)	0	0	0	-	**-**
Transfer to Stage 3 (from 1 or 2)	0	0	0	-	**-**
Change of balances	4	0	0	-	**4**
New receivables (created or purchased)	21	0	0	-	**21**
Derecognition of receivables	(5)	0	0	-	**(5)**
Write-offs	0	0	0	-	**0**
Balances on 31/12/2021	**39**	**0**	**0**	**-**	**39**

Accumulated impairment losses per IFRS 9 Stage - Group

31 December 2020	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**1,723**	**4,679**	**75,032**	-	**81,434**
Transfer to Stage 1 (from 2 or 3)	2,264	(2,062)	(202)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(98)	501	(403)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(17)	(125)	142	-	**-**
Change of balances	(942)	(193)	9,182	-	**8,047**
New receivables (created or purchased)	257	-	-	-	**256**
Derecognition of receivables	(50)	(16)	(116)	-	**(182)**
Write-offs	-	-	(2,620)	-	**(2,620)**
Balances on 31/12/2020	**3,137**	**2,783**	**81,014**	**-**	**86,934**

31 December 2020	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**1,174**	**3,815**	**49,860**	-	**54,848**
Transfer to Stage 1 (from 2 or 3)	2,043	(1,894)	(149)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(57)	249	(191)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(57)	(44)	47	-	**-**
Change of balances	(714)	(482)	6,551	-	**5,354**
New receivables (created or purchased)	153	-	-	-	**153**
Derecognition of receivables	(8)	(2)	(28)	-	**(39)**
Write-offs	-	-	(2,619)	-	**(2,619)**
Balances on 31/12/2020	**2,533**	**1,642**	**53,469**	**-**	**57,644**

31 December 2020	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**526**	**864**	**25,172**	-	**26,562**
Transfer to Stage 1 (from 2 or 3)	221	(168)	(53)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(41)	253	(212)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(13)	(82)	95	-	**-**
Change of balances	(179)	289	2,630	-	**2,741**
New receivables (created or purchased)	103	-	-	-	**103**
Derecognition of receivables	(41)	(14)	(88)	-	**(143)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**576**	**1,142**	**27,545**	**-**	**29,263**

31 December 2020	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**24**	**-**	**-**	-	**24**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	4	-	-	-	**4**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**28**	**-**	**-**	**-**	**28**

31 December 2020	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**41**	**-**	**1**	-	**42**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(5)	-	-	-	**(5)**
New receivables (created or purchased)	6	-	-	-	**6**
Derecognition of receivables	(22)	-	-	-	**(23)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**19**	**-**	**-**	**-**	**20**

Accumulated impairment losses per IFRS 9 Stage - Bank

31 December 2020	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**1,727**	**4,679**	**75,032**	-	**81,438**
Transfer to Stage 1 (from 2 or 3)	2,264	(2,062)	(202)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(98)	501	(403)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(17)	(125)	142	-	**-**
Change of balances	(942)	(193)	9,182	-	**8,047**
New receivables (created or purchased)	257	-	-	-	**256**
Derecognition of receivables	(51)	(16)	(116)	-	**(184)**
Write-offs	-	-	(2,620)	-	**(2,620)**
Balances on 31/12/2020	**3,139**	**2,783**	**81,014**	**-**	**86,937**

31 December 2020	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**1,177**	**3,815**	**49,860**	-	**54,852**
Transfer to Stage 1 (from 2 or 3)	2,043	(1,894)	(149)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(57)	249	(191)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(4)	(44)	47	-	**-**
Change of balances	(768)	(482)	6,551	-	**5,301**
New receivables (created or purchased)	153	-	-	-	**153**
Derecognition of receivables	(10)	(2)	(28)	-	**(40)**
Write-offs	-	-	(2,619)	-	**(2,619)**
Balances on 31/12/2020	**2,535**	**1,642**	**53,469**	**-**	**57,646**

31 December 2020	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**526**	**864**	**25,172**	-	**26,562**
Transfer to Stage 1 (from 2 or 3)	221	(168)	(53)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(41)	253	(212)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(13)	(82)	95	-	**-**
Change of balances	(179)	289	2,630	-	**2,741**
New receivables (created or purchased)	103	-	-	-	**103**
Derecognition of receivables	(41)	(14)	(88)	-	**(143)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**576**	**1,142**	**27,545**	**-**	**29,263**

31 December 2020	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**24**	**-**	**-**	-	**24**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	4	-	-	-	**4**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**28**	**-**	**-**	**-**	**28**

31 December 2020	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2020	**41**	**-**	**1**	-	**42**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(5)	-	-	-	**(5)**
New receivables (created or purchased)	6	-	-	-	**6**
Derecognition of receivables	(22)	-	-	-	**(23)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2020	**19**	**-**	**-**	**-**	**20**

4.5 Lien risk

It is the risk that the Bank undertakes by maintaining a high level of long-term encumbered assets, thereby limiting its available liquidity reserve and the possibility of obtaining additional financing in limited liquidity conditions.

The Bank uses unencumbered assets only to meet its urgent liquidity needs through the ELA mechanism alone, so there is no such risk.

4.6 Market risk

The Bank is not substantially exposed to market risk. The Bank's exposure to market risk is very low due to the low value of its trading portfolio (<5% of the value of its total assets), while it also falls under the exceptions of Presidential Decree 2646/09.09.2011.

4.7 Interest rate risk

Interest rate risk, which relates to the possibility of unexpected changes in interest income and / or expense as a result of changes in interest rates (due to the time mismatch in the adjustment of asset and liability interest rates). The Bank's exposure to this risk is relatively small, as almost all of the interest bearing assets and liabilities are at a floating rate.

4.8 Currency risk

The Bank is not substantially exposed to foreign exchange risk. The Bank's exposure to foreign exchange risk is very low (<2% of equity) and therefore the corresponding capital requirements are zero.

4.9 Country risk

There are no cross-border credits. Therefore there is no country risk.

4.10 Liquidity risk

A financial institution's liquidity risk is the risk arising from the potential inability to find sufficient cash to meet its liabilities when they become due. For the effective management of its liquidity risk, the Bank has established a number of procedures for identifying, measuring, monitoring and controlling liquidity risk based on the "Liquidity Risk Appetite Strategy" and the "Risk-Taking and Appetite Framework" adopted, and fully complies with the specifications set by the Internal Liquidity Adequacy Assessment Process (ILAAP).

Based on the above liquidity risk appetite framework, the Bank monitors liquidity risk through internal administrative and supervisory reports as well as intra-day monitoring of its cash and financing sources. The liquidity monitoring and management reports include, inter alia, the monitoring of the liquidity risk measurement indicators as defined in the framework of the "Recovery Plan" and the "Contingency Funding Plan" in relation to the early warning triggers, which have actively adopted the above-mentioned process in the context of liquidity management. The Bank also regularly conducts liquidity risk simulation exercises, during which it evaluates the impact of these extreme scenarios on the liquidity measurement ratios as well as on the Liquidity Buffer it maintains. It is noted that in order to effectively manage the liquidity risk under abnormal conditions, the Bank maintains a "Contingency Funding Plan" which describes all the detailed actions to be followed by the authorized executives to find resources and stabilize liquidity levels in liquidity crisis situations.

The purpose of the Bank in managing liquidity risk is to ensure, to the best of its ability, the maintenance of its liquidity levels at acceptable levels, both under normal and extreme conditions.

The Bank's main sources of financing and liquidity are:

- Customer Deposits: The Banks customer deposits consist of sight, savings and time deposits. The Bank's deposits decreased in 2021 by about 6.27% compared to 2020.
- Debt securities: The Bank raises additional liquidity through the issuance of debt securities. The Bank strengthened its liquidity position by issuing debt securities with a private placement in 2021 of approximately € 3,15 million.

In addition to its main sources of funding, the Bank maintains, as an alternative source of funding, access to the Emergency Liquidity Assistance (ELA), through the provision of eligible assets as collateral, in liquidity situations.

The following is a list of the obligations of the bank and the group as at 31.12.2021 and 31.12.2020:

Analysis of contractual maturities for financial liabilities Analysis of contractual maturities for financial liabilities (non-discounted cash flows)			Bank			
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2021						
Due to Central Banks	0	0	0	0	0	0
Due to banks	1,566,381	0	0	0	0	1,566,381
Due to customers	292,316,105	125,248,195	177,437,013	3,908,263	768,087	599,677,662
Liabilities from credit securities & other loan obligations	0	0	0	14,125,267	3,150,000	17,275,267
Other liabilities	0	0	5.307.110	0	0	5.307.110
Balance sheet total	**293,882,486**	**125,248,195**	**182,744,122**	**18,033,530**	**3,918,087**	**623,826,419**

Analysis of contractual maturities for financial liabilities Analysis of contractual maturities for financial liabilities (non-discounted cash flows)			Group			
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2021						
Due to Central Banks	0	0	0	0	0	0
Due to banks	1,117,387	0	0	0	0	1,117,387
Due to customers	293,511,562	125,248,195	177,437,013	3,908,263	768,087	600,873,119
Liabilities from credit securities & other loan obligations	0	0	0	14,125,267	3,150,000	17,275,267
Other liabilities	0	0	12,832,716	0	0	12,832,716
Balance sheet total	**294,628,949**	**125,248,195**	**190,269,729**	**18,033,530**	**3,918,087**	**632,098,489**

Analysis of contractual maturities for financial liabilities Analysis of contractual maturities for financial liabilities (non-discounted cash flows)			Bank			
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2020						
Due to Central Banks	0	0	0	0	0	0
Due to banks	25,141,494	0	0	0	0	25,141,494
Due to customers	294,020,097	116,165,788	206,631,246	0	0	616,817,131
Liabilities from credit securities & other loan obligations	0	0	2,547,878	4,180,000	9,900,000	16,627,878
Other liabilities	0	0	4,996,925	0	0	4,996,925
Balance sheet total	**319,161,591**	**116,165,788**	**214,176,050**	**4,180,000**	**9,900,000**	**663,583,429**

Analysis of contractual maturities for financial liabilities Analysis of contractual maturities for financial liabilities (non-discounted cash flows)			Group			
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2020						
Due to Central Banks	0	0	0	0	0	0
Due to banks	26,271,056	0	0	0	0	26,271,056
Due to customers	293,668,270	116,165,788	206,631,246	0	0	616,465,304
Liabilities from credit securities & other loan obligations	0	0	2,547,878	4,180,000	9,900,000	16,627,878
Other liabilities	0	0	9,967,930	0	0	9,967,930
Balance sheet total	**319,939,325**	**116,165,788**	**219,147,054**	**4,180,000**	**9,900,000**	**669,332,168**

4.11 Operational risk

Operational is the risk of causing damage due to insufficiency or failure of internal processes, individuals and systems or external events. The Bank is required to calculate minimum capital requirements for this risk in accordance with Articles 92 and 315-316 of Regulation (EU) No 575/2013. In calculating the capital requirements against this risk the Basic Index method is used and continues to be used, as mentioned above.

The relevant capital requirements as at 31/12/2021 were € 3,951 thousand individually and € 3,938 thousand on a consolidated basis, which are considered to be proportionately sufficient to cover the Bank against this risk given its nature, size and existing network.

4.12 Capital adequacy

The supervisory authorities have established quantitative criteria to ensure capital adequacy and require the Bank to maintain minimum amounts and risk-weighted capital ratios, which are defined as the ratio of funds to the sum of specific off-balance sheet assets. In June 2013, the European Parliament and the Council of Europe adopted Directive 2013/36/EU and Regulation (EU) 575/2013 (known as CRD IV), transposing and adapting the changes proposed by the Basel Committee (Basel III) at European Union level. The new regulations are directly applicable in all Member States from 1 January 2014.

The supervisory authority of the Cooperative Bank of Chania is the BoG.

The Basel II supervisory framework was applied from 01.01.2008 - 31.12.2013, which was introduced into Greek law by Law 3601/2007 as amended by Law 3693/2008, Law 3746/2009, Law 3862/2010. Law 4002/2011 and Law 4021/2011 (transposing EU Directives 48/2006, 49/2006, 64/2007, 111/2009 and 76/2010) and subsequently with the adoption of Governor's Acts 2577/2006, 2588/2007, 2590/2007, 2592/2007, 2630/2010, and 2635/2010.

The Basel III supervisory framework was applied from 01/01/2014, which was introduced into Greek law by Law 4261/2014 (transposing EU Directive 36/2013) as amended by Law 4335/2015 and Law 4340/2015, and subsequently by Regulation (EU) No 575/2013 (as amended by Delegated Regulation (EU) 2015/62) and Implementing Regulation (EU) No 680/2014 (as amended by Implementing Regulations 79/2015, 227/2015 and 1278/2015).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

- **Capital Conservation Buffer**: Expressed as a percentage of the total risk exposure amount, it will gradually rise to 2.50% from 01/01/2019 as follows: 0.625% on 01/01/2016, 1.25% on 01/01/2017, 1.875% on 01/01/2018 and 2.50% on 01/01/2019 onwards.

- **Countercyclical capital buffer:** Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261/2014. For 2020 and 2021, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

- **Based on decision 353/10.04.2020** by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.68% were set for the Bank for the year 2020.

- Due to the exceptional medical emergency resulting from the outbreak and exacerbation of the COVID-19 pandemic and in the year 2021 the minimum supervisory requirements for the capital adequacy ratios remained the same as in the year 2020.

The capital adequacy ratio of the Cooperative Bank of Chania is presented in the following tables for the years 2020 and 2021.

Amounts in EUR thous.

31-Dec-20	Consolidated	Individual
1. Total Risk-Weighted Assets (RWA)	420,730	412,586
2. Risk-Weighted Assets for credit risk	378,811	366,051
3. Risk-Weighted Assets for operational risk	41,919	46,535
4. Risk-Weighted Assets for concentration risk	-	-
5. Total Equity	61,286	60,058
6. Total Capital Adequacy Ratio	**14.57%**	**14.56%**

Amounts in EUR thous.

31-Dec-21	Consolidated	Individual
1. Total Risk-Weighted Assets (RWA)	443,267	429,316
2. Risk-Weighted Assets for credit risk	394,044	380,226
3. Risk-Weighted Assets for operational risk	49,223	49,090
4. Risk-Weighted Assets for concentration risk	-	-
5. Total Equity	63,049	61,227
6. Total Capital Adequacy Ratio	**14.22%**	**14.25%**

Note: The Total Capital Adequacy Ratio results from the division of total Equity (line 5) by Total Weighted Assets (line 1).

The minimum threshold of the Total Capital Adequacy Ratio for 2021 is 13.18% as reported in Note 2.2 in the Capital Adequacy section.

4.12.1 Capital Adequacy Ratio

This risk relates to the level, structure and stability of equity, as equity determines the risk capability and is the basis for calculating various supervisory indicators. The Bank seeks to have the required capital adequacy, taking into account the adverse economic conditions which had a significant adverse effect on the credit institutions' equity in previous years. Equity (which is taken into account for the calculation of the total capital ratio) consists of Tier 1 Equity and Tier 2 funds. The Bank uses Category 2 funds after required capital depreciation.

During the years 2020 and 2021, the Bank presented adequate equity on an individual and consolidated basis. Its policy in this area during 2022 is to stimulate its capital base.

4.13 Fair values of financial assets and liabilities

4.13.1 Financial assets not measured at fair value

	Group				
Amounts in EUR	**31.12.2021**	**31.12.2021**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	352,257,536	352,257,536	-	-	352,257,536
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
Financial liabilities					
Due to customers	599,306,738	599,306,738	158,606,659	440,700,080	-
Debt securities and other loans in issue	17,275,267	17,275,267	-	-	17,275,267

	Bank				
Amounts in EUR	**31.12.2021**	**31.12.2021**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	386,715,729	386,715,729	-	-	386,715,729
Financial assets at amortized cost	1,044,865	1,044,865	-	-	1,044,865
Financial liabilities					
Due to customers	599,677,662	599,677,662	158,977,583	440,700,080	-
Debt securities and other loans in issue	17,275,267	17,275,267	-	-	17,275,267

	Group				
Amounts in EUR	**31.12.2020**	**31.12.2020**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	355,297,452	355,297,452	-	-	355,297,452
Financial assets at amortized cost	1,001,646	1,001,646	-	-	1,001,646
Financial liabilities					
Due to customers	616,465,304	616,465,304	150,907,690	465,557,614	-
Debt securities and other loans in issue	16,627,878	16,627,878	-	-	16,627,878

	Bank				
Amounts in EUR	**31.12.2020**	**31.12.2020**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and amounts due to customers	390,387,534	390,387,534	-	-	390,387,534
Financial assets at amortized cost	1,001,646	1,001,646	-	-	1,001,646
Financial liabilities					
Due to customers	616,817,131	616,817,131	151,259,517	465,557,614	-
Debt securities and other loans in issue	16,627,878	16,627,878	-	-	16,627,878

The above table presents the book value and fair value of financial assets that are not measured at fair value in the Group's financial statements and their categorization.

The book value of deposits repayable on demand approximates their fair value as they are considered to be short-term financial assets, while the fair value of time deposits is calculated using discounted interest rate models of similar products.

The fair value of debt securities issued is calculated using the discount rate method for the purchase of similar products.

The fair value of Loans and advances to customers is estimated to approximate their book value as they relate to floating rate loans, which are reviewed at regular intervals.

The fair value of financial assets at amortized cost as well as other financial assets and liabilities (cash and cash equivalents of central banks, receivables and liabilities of financial institutions, liabilities to central banks) that are not measured in the financial statements at fair value approximates their book value, either because they relate to short-term transactions or because they are re-priced at regular intervals.

4.13.2 Financial assets not measured at fair value

	Group				
Amounts in EUR	**31.12.2021**	**31.12.2021**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	1,365,779	1,365,779	-	1,365,779	-
Investment portfolio	10,693,574	10,693,574	35,129	-	10,658,444

	Bank				
Amounts in EUR	**31.12.2021**	**31.12.2021**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	1,365,779	1,365,779	-	1,365,779	-
Investment portfolio	3,187,078	3,187,078	30,862	-	3,156,216

	Group				
Amounts in EUR	**31.12.2020**	**31.12.2020**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	896,839	896,839	-	896,839	-
Investment portfolio	4,945,398	4,945,398	27,066	-	4,918,332

	Bank				
Amounts in EUR	**31.12.2020**	**31.12.2020**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	896,839	896,839	-	896,839	-
Investment portfolio	3,060,015	3,060,015	23,799	-	3,036,216

Fair value measurement of Level 3 financial assets is carried out using variables that are not based on observable market data. Level 3 financial assets include shares of investment portfolio. Level 3 shares are not traded in active markets or there are no available prices from third party traders. The valuation of these shares at fair value was approximated through the net asset value method.

For the year ended December 31, 2021 there were no transfers of financial assets between fair value hierarchy levels.

The following table shows the movement of the financial assets measured at fair value and classified at Level 3:

Amounts in EUR	Group	
Investment portfolio	**2021**	**2020**
Opening balance as at 01 January	**4,918,332**	**4,806,790**
Other changes	93,580	-
Additions for the year	-	30
Disposals	-	-
Changes in fair value	5,646,533	111,512
Deductions/devaluation provisions for the period	-	-
Balance as at 31 December	**10,658,444**	**4,918,332**

Amounts in EUR	Bank	
Investment portfolio	**2021**	**2020**
Opening balance as at 01 January	**3,036,216**	**2,941,193**
Other changes	-	-
Additions for the year	-	-
Disposals	-	-
Changes in fair value	120.000	95,022
Deductions/devaluation provisions for the period	-	-
Balance as at 31 December	**3,156,216**	**3,036,216**

4.13.3 Risk related to Tax Credits to the Greek State

On 31/12/2021 the deferred tax assets of the Group amounted to € 23.3m (compared to € 23.8m on 31/12/2020).

Pursuant to Regulation (EU) No 575/2013 on capital requirements, deferred tax assets that are based on future profitability and that exceed specific limits must be deducted from the Bank's Tier 1 Common Stock. However, Article 27A of Law 4172/2013 and its amendments (Law 4302/2014 and Law 4340/2015) allow, subject to certain conditions, the deferred tax assets resulting from accumulated impairment provisions to be converted to cover credit risk and which have been accounted for as at 30 June 2015 in final and outstanding claims against the Greek State (Tax Credits). The Bank, by the decision of the Extraordinary General Meeting dated November 24, 2015, has been subject to the provisions of Article 27A of Law 4172/2013 (as amended by Article 4 of Law 4340/2015). The provisions of Article 27A of Law 4172/2013, involve the optional conversion of deferred tax assets, on temporary differences, into definitive and outstanding claims against the Greek State which may be counted in supervisory funds.

This guarantees the provisional tax claim (DTA) by converting it into a definitive claim (DTC) against the State, with a corresponding benefit in the calculation of the Supervisory Equity, as in such case these claims are not deducted from Tier 1 equity but are counted on the Group's weighted assets at current rates.

In March 2017, a new law (4465/2017) was adopted that introduced amendments to Articles 27 and 27A of Law 4172/2013. These amendments introduce the 20-year amortization of definitive losses on write-offs and loan sales. In addition, the purpose of Article 27A extends beyond PSI losses and loan impairment provisions to losses from permanent write-off/sale of loans as well as accounting write-offs of loans.

On 31/12/2021, the maximum amount of deferred tax assets that meets the criteria of the above legal provisions and which can be converted into a final and settled claim against the Greek State amounted to € 18.36m.

At each reporting date, the Bank re-evaluates the value of its deferred tax assets, which may result in a change in their balance presented in the statement of financial position and, by way of extension, in its regulatory capital.

The recognition of deferred tax assets and their possible conversion into claims against the Greek State (Tax Credits) may be adversely affected by: (a) the future reduction of income tax rates; (b) the adverse change in the regulations governing the handling of deferred tax assets in regulatory capital. Should any of the above risks occur, this could have an adverse effect on the adequacy of the Group's regulatory capital.

NOTE 5: NET INTEREST INCOME

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Interest income from:				
Bonds	63,676	67,577	63,676	67,577
Due from banks	8,832	746,738	8,832	746,738
Loans and amounts due to customers	25,361,652	24,201,427	27,831,190	27,226,041
Interest and similar income	**25,434,160**	**25,015,741**	**27,903,698**	**28,040,356**
Interest expenses from:				
Due to Central Banks	-	-	-	-
Due to banks	7,567	213,444	7,567	213,444
Debt securities	783,188	1,216,073	783,188	1,216,073
Due to customers	3,059,402	5,538,759	2,767,108	5,199,634
Interest and similar expenses	**3,850,157**	**6,968,276**	**3,557,863**	**6,629,151**
Net interest income	**21,584,003**	**18,047,465**	**24,345,834**	**21,411,204**

NOTE 6: NET COMMISSIONS REVENUE

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Retail banking commissions	1,302,585	825,373	1,309,229	834,461
Loan commission income	1,173,657	961,913	1,173,657	961,913
Commission expenses	(970,142)	(441,630)	(970,142)	(441,630)
Net commission income	**1,506,101**	**1,345,657**	**1,512,744**	**1,354,744**

NOTE 7: PERSONNEL EXPENSES

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Wages and other staff benefits	8,958,163	8,973,815	7,747,988	7,522,534
Defined Benefit Plan Expenses (see Note 8)	65,784	58,384	59,781	52,912
Used staff provisions	(14,148)	(96,273)	-	-
Other staff costs	195,851	134,550	188,777	131,378
Total	**9,205,650**	**9,070,477**	**7,996,546**	**7,706,824**

The number of staff for the Bank and the Group is as follows:

	Group	
Personnel costs	**31.12.2021**	**31.12.2020**
Bank	**226**	**224**
Cretan Real Estate	4	4
Cretan Holdings	*0*	*0*
Chania Holdings	*0*	*0*
Prime Energy Group SA	*4*	*4*
ABEA	*36*	37
BIOCHEM	*10*	9
Total	**280**	**278**

NOTE 8: DEFINED BENEFIT PLANS LIABILITY

Defined benefit plans

Redundancy payments

Group companies are required by law 2112/20 to provide compensation to employees who retire from service. These compensations are a lump sum based on the final salary and years of service.

On November 12, 2012 the new Law 4093/2012, reduced the redundancy payment in case of dismissal or retirement according to the provisions of Law 2112/1920. According to the provisions of the law, the maximum amount of redundancy payment for employees is limited to 12 salaries instead of 24 salaries.

In addition, the transitional provisions of that Law provide that for employees who have completed 17 or more years of service with the same employer on 12 November 2012, the compensation shall be limited to one additional salary for each completed year and up to 24 salaries. In case of dismissal, the additional salary is limited to EUR 2,000.

The provision was calculated based on the projected unit credit method imposed by IAS 19. According to this method, each period of service creates a right for an additional unit of entitlement to the benefits and which is discounted and valued separately in order to form the final liability.

Note that the fixed policy of the Bank and the Group, from the first application of IFRS, was the formation of the provision in proportion to the service time to the estimated retirement time, i.e. the amount of the provision and did not correspond to the amount of dismissal compensation paid to employees as part of their dismissal from the employer (provision for termination of employees). The technique applied by the Bank and the Group for the calculation of the provision is in full agreement, until the period ended on 31/12/2020, from the first application of the IFRS, with the method described in Opinion ref. 640 dated 6 March 2019 issued by the Scientific Council of SOEL.

Based on the recent clarification directive of SOEL, defined as appropriate method of allocation of benefits for the formation of the provision in the last 16 years until the date of retirement of employees, following the scale of Law. 4093/2012.

On the basis of the above, the implementation of the above final Decision has been treated as a change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

The effect deriving from the implementation of the final decision for each specific item of the financial statements affected is as follows:

A. Group

Net liability in the Statement of Financial Position	31/12/2020	1/1/2020
Amount restated	690,450	775,744
Amount with the new method of identification	338,189	347,584

Defined benefit program costs	1/1 – 31/12/2020
Amount restated	48,209
Amount with the new method of identification	58,384

B. Bank

Net liability in the Statement of Financial Position	31/12/2020	1/1/2020
Amount restated	607,224	596,246
Amount with the new method of identification	275,226	198,398

Defined benefit plan expenses	1/1 – 31/12/2020
Amount restated	48,209
Amount with the new method of identification	52,912

The reserve of cumulative actuarial profits/(losses) as formed on 31/12/2019 (1/1/2020) with the previous method of recognition (Group € 67,502, Bank € 47,316) was transferred to retained earnings.

The amounts of defined benefit and compensation plans recognized in the financial statements are analyzed as follows:

Defined Benefit Plan Expenses

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Service cost	65,267	55,772	59,264	50,525
Net financial cost on net defined benefit liability	662	2,612	517	2,387
Total	**65,929**	**58,384**	**59,781**	**52,912**

Net liability in the Statement of Financial Position

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Present Value of Non-Funded Liabilities	419,470	338,199	361,965	275,227
Total	**419,470**	**338,199**	**361,965**	**275,227**

Movenent of defined benefit plan liability

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Balance as at 1 January	**338,199**	**347,584**	**275,227**	**198,398**
Service cost	65,267	55,772	59,264	50,525
Financial cost	662	2,612	517	2,387
Benefits used by the Group/Bank	(14,148)	(96,272)	-	-
Loss/(profit) from changes in actuarial assumptions	29,490	28,504	26,957	23,917
Balance as at 31st December	**419,470**	**338,199**	**361,965**	**275,227**

Note: The aforementioned items are included in Other liabilities (see Note 21)

Weighted average actuarial assumptions at the end of the period

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Discount rate	0,29% - 0,98%	0,19% - 1.20%	0,29%	0,19%
Earnings growth rate	0,50% - 1,50%	0,50% - 1,50%	0,50%	0,50%

NOTE 9: GENERAL ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Rent expenses	341,979	261,705	229,832	161,097
Taxes - Fees	506,474	411,474	228,069	191,838
Telecommunication and electricity costs	939,939	798,248	635,866	527,475
Maintenance costs	682,595	482,797	568,187	371,568
Third party fees	3,040,140	2,528,234	2,483,706	2,166,107
TEKE Contributions (Resolution Leg)	275,050	223,676	275,050	223,676
Promotion and advertising costs	586,585	675,868	556,905	640,908
Other expenses	1,654,061	1,631,416	845,965	968,709
Total	**8,026,822**	**7,013,418**	**5,823,580**	**5,251,378**

NOTE 10: CREDIT IMPAIRMENT PROVISION

Provision of impairment of loans and other receivables for the year

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Loans and amounts due to customers	13,182,930	8,122,395	13,182,691	8,122,395
Provisions for letters of guarantee	19,660	(22,391)	19,660	(22,392)
Other receivables against customers and financial institutions	1.500.000	1,489	1.500.000	-
Total	**14,702,590**	**8,101,493**	**14,702,351**	**8,100,003**

For the year 2021, the Group and the Bank's "Loans and receivables per customer" provisions amounted to € 13.2 million (2020: € 8.1 million). The provisions of "Other due from customers" include a provision for receivables from legal cases that was formed in the financial statements of the Bank during the fiscal year 2021, amounting to approximately € 1.5 million, as analyzed in Note 22.

Cumulative provision of impairment of loans and advances to customers

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Loans and amounts due to customers	100,045,433	86,934,480	100.047.315	86,936,601
Total	**100,045,433**	**86,934,480**	**100.047.315**	**86,936,601**

The cumulative provision of impairment of loans and advances to customers are as follows:

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Balance of provisions 1 January	86,934,480	**81,434,168**	86,936,601	**81,437,778**
Movement in 2020				
Provisions for the year	13,182,930	8,123,884	13,182,691	8,122,395
Write-offs	(71,976)	(2,623,573)	(71,976)	(2,623,573)
Balance of provisions as at 31 December	**100,045,433**	**86,934,480**	**100.047.315**	**86,936,601**

NOTE 11: CASH AND CASH AT CENTRAL BANKS, DUE FROM BANKS

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Cash and cash equivalent	7,781,138	7,314,816	7,559,567	7,071,828
Current accounts with the Bank of Greece	145,476,260	203,151,989	145,476,260	203,151,989
Total	**153,257,398**	**210,466,804**	**153,035,827**	**210,223,817**

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Sight deposits with banks	20,510,608	8,921,516	20,510,608	8,921,516
Term deposits with financial institutions	-	-	-	-
Total	**20,510,608**	**8,921,516**	**20,510,608**	**8,921,516**

NOTE 12: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Bonds issued by financial institutions*	1,365,779	896,839	1,365,779	896,839
Total	**1,365,779**	**896,839**	**1,365,779**	**896,839**

* EFG EUROBANK bond with floating interest rate of indefinite maturity and nominal value of € 1,650,000.

NOTE 13: FINANCIAL ASSETS AT AMORTIZED COST

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Bank bonds*	1,044,865	1,001,646	1,044,865	1,001,646
Total	**1,044,865**	**1,001,646**	**1,044,865**	**1,001,646**

* Bond of the Pancreta Bank S.A., with an interest rate of 6%, a seven-year duration and a nominal value of € 1,000,000.

NOTE 14: INVESTMENT PORTFOLIO

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Shares & stock	10,693,574	4,945,398	3,187,078	3,060,015
Total	**10,693,574**	**4,945,398**	**3,187,078**	**3,060,015**
Investment portfolio				
Balance as at 1 January	**4,945,399**	**4,905,104**	**3,060,015**	**2,972,982**
Other changes	93,580	-	-	-
Additions	1,000	30	-	-
Changes in fair value *	5,653,595	40,265	127,063	87,033
Sales	-	-	-	-
Deductions/devaluation provisions for the period	-	-	-	-
Balance as at 31 December 2021	**10,693,574**	**4,945,399**	**3,187,078**	**3,060,015**

*Note that in 2021 the participation of the subsidiary "KRITIKA AKINITA S.A." in "Chania Business Park S.A." was transferred to the "Investment portfolio" of the Group, given that in 2021 a significant influence is no longer exercised in accordance with IAS 28, allowing the transfer of participation from a relative to an investment title. The fair value of the above company was estimated at approximately € 4.9 million. The change in the fair value of the investment portfolio is illustrated in the line " net trading income / (loss) of the income statement.

NOTE 15: SOFTWARE AND OTHER INTANGIBLE ASSETS

Amounts in EUR	Group			Bank		
	Software	Other intangible assets	Total	Software	Other intangible assets	Total
Acquisition cost						
Balance as at 1 January 2020	**3,652,821**	**185,979**	**3,838,800**	**3,065,342**	-	**3,065,342**
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	756,043	-	756,043	732,689	-	732,689
Other changes	665,015	-	665,015	-	-	-
Balance as at 31 December 2020	**5,073,879**	**185,979**	**5,259,857**	**3,798,031**	-	**3,798,031**
Accumulated depreciation & impairment provisions						
Balance as at 1 January 2020	**(2,578,493)**	-	**(2,578,493)**	**(1,971,327)**	-	**(1,971,327)**
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	18,685	-	18,685	-	-	-
Depreciation	(316,007)	-	(316,007)	(217,610)	-	(217,610)
Balance as at 31 December 2020	**(2,875,815)**	-	**(2,875,815)**	**(2,188,937)**	-	**(2,188,937)**
Net book value as at 31 December 2020	**2,198,063**	**185,979**	**2,384.042**	**1,609.094**	-	**1,609.094**
Acquisition cost						
Balance as at 1 January 2021	**5,073,879**	**185,979**	**5,259,857**	**3,798,031**	-	**3,798,031**
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	876,301	-	876,301	876,301	-	876,301
Other changes	(39,507)	-	(39,507)	(13)	-	(13)
Balance as at 31 December 2021	**5,910,672**	**185,979**	**6,096,651**	**4,674,319**	-	**4,674,319**
Accumulated depreciation & impairment provisions						
Balance as at 1 January 2021	**(2,875,815)**	-	**(2,875,815)**	**(2,188,937)**	-	**(2,188,937)**
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	29,868	-	29,868	-	-	-
Depreciation	(372,728)	-	(372,728)	(281,742)	-	(281,742)
Balance as at 31 December 2021	**(3,218,675)**	-	**(3,218,675)**	**(2,470,679)**	-	**(2,470,679)**
Net book value as at 31 December 2021	**2,691,997**	**185,979**	**2,877.976**	**2,203.639**	-	**2,203.639**

There was no goodwill on the consolidation of the subsidiaries (goodwill arising from the incorporation of subsidiaries acquired before the date of transition to IFRSs has been negatively charged to equity at the date of transition).

NOTE 16: PROPERTY AND EQUIPMENT

	BANK							
Amounts in EUR	**Land**	**Buildings**	**Vehicles and equipment**	**Improvements to leased third-party properties**	**Furniture & other Equipment**	**Assets under construction**	**Assets with the right to use fixed assets**	**Total**
Acquisition cost								
Balance as at 1 January 2020	**2,445,211**	**6,907,772**	**66,630**	**4,663,845**	**7,452,584**	**28,305**	**1,794,538**	**23,358,886**
Additions	-	27,272	-	12,218	1,581,643	-	5,044	1,626,177
Other changes in fixed assets	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Sales and write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	**2,445,211**	**6,935,044**	**66,630**	**4,676,063**	**9,034,228**	**28,305**	**1,799,582**	**24,985,063**
Accumulated depreciation & impairment provisions								
Balance as at 1 January 2020	**-**	**(526,257)**	**(55,340)**	**(3,356,190)**	**(6,812,969)**	**(19,862)**	**(363,968)**	**(11,134,585)**
Other depreciation changes	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(69,772)	(2,238)	(311,182)	(341,273)	-	(363,968)	(1,088,432)
Sales and write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	**-**	**(596,028)**	**(57,578)**	**(3,667,371)**	**(7,154,242)**	**(19,862)**	**(727,936)**	**(12,223,017)**
Net book value as at 31 December 2020	**2,445,211**	**6,339,015**	**9,052**	**1,008,692**	**1,879,985**	**8,443**	**1,071,647**	**12,762,046**
Acquisition cost								
Balance as at 1 January 2021	**2,445,211**	**6,935,044**	**66,630**	**4,676,063**	**9,034,228**	**28,305**	**1,799,582**	**24,985,063**
Additions	-	10,385	-	142,887	287,329	-	577,790	1,018,390
Other changes in fixed assets	-	-	-	-	13	-	-	13
Transfers	-	-	-	-	-	-	-	-
Sales and write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	**2,445,211**	**6,945,428**	**66,630**	**4,818,950**	**9,321,570**	**28,305**	**2,377,372**	**26,003,467**
Accumulated depreciation & impairment provisions								
Balance as at 1 January 2021	**-**	**(596,028)**	**(57,578)**	**(3,667,371)**	**(7,154,242)**	**(19,862)**	**(727,936)**	**(12,223,017)**
Other depreciation changes	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(69,908)	(2,238)	(314,292)	(450,869)	-	(344,892)	(1,182,200)
Sales and write-offs	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	**-**	**(665,937)**	**(59,817)**	**(3,981,663)**	**(7,605,111)**	**(19,862)**	**(1,072,828)**	**(13,405,217)**
Net book value as at 31 December 2021	**2,445,211**	**6,279,491**	**6,813**	**837,287**	**1,716,458**	**8,443**	**1,304,545**	**12,598,249**

GROUP

Amounts in EUR	Land	Buildings	Mechanical Equipment / Technical Installations	Vehicles and equipment	Improvements to leased third-party properties	Furniture & other Equipment	Assets under construction	Assets with the right to use fixed assets	Total
Acquisition cost									
Balance as at 1 January 2020	**3,375,363**	**10,615,842**	**15,764,751**	**300,975**	**4,663,846**	**8,132,802**	**1,160,194**	**2,035,860**	**46,049,632**
Additions	-	36,342	133,926	169	12,218	1,588,485	420,502	5,044	2,196,686
Other changes in fixed assets	-	-	-	-	-	-	-	-	-
Transfers	-	292,424	386,763	-	-	-	(1,362,887)	-	(683,700)
Sales and write-offs	-	-	(625,344)	(21,500)	-	(26,862)	(59,129)	-	(732,836)
Balance as at 31 December 2020	**3,375,363**	**10,944,608**	**15,660,097**	**279,645**	**4,676,064**	**9,694,425**	**158,680**	**2,040,904**	**46,829,783**
Accumulated depreciation & impairment provisions									
Balance as at 1 January 2020	**-**	**(838,127)**	**(9,327,269)**	**(234,997)**	**(3,356,189)**	**(7,430,902)**	(19,862)	(375,813)	**(21,583,160)**
Other depreciation changes	-	-	(190)	-	-	-	-	-	(190)
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(130,284)	(776,400)	(12,799)	(311,182)	(359,169)	-	(375,813)	(1,965,647)
Sales and write-offs	-	-	623,564	21,500	-	26,862	-	-	671,926
Balance as at 31 December 2020	**-**	**(968,412)**	**(9,480,295)**	**(226,296)**	**(3,667,371)**	**(7,763,210)**	**(19,862)**	**(751,627)**	**(22,877,071)**
Net book value as at 31 December 2020	**3,375,363**	**9,976,196**	**6,179,802**	**53,349**	**1,008,693**	**1,931,215**	**138,818**	**1,289,277**	**23,952,712**
Acquisition cost									
Balance as at 1 January 2021	**3,375,363**	**10,944,608**	**15,660,097**	**279,645**	**4,676,064**	**9,694,425**	**158,680**	**2,040,904**	**46,829,784**
Additions	-	38,740	202,943	782	142,887	295,723	309,207	577,790	1,568,072
Other changes in fixed assets	-	-	(167,186)	-	-	11	-	-	(167,175)
Transfers	-	-	-	-	-	-	(91,401)	-	(91,401)
Sales and write-offs	-	-	(367,923)	-	-	-	-	-	(367,923)
Balance as at 31 December 2021	**3,375,363**	**10,983,348**	**15,327,931**	**280,427**	**4,818,950**	**9,990,159**	**376,486**	**2,618,694**	**47,771,357**
Accumulated depreciation & impairment provisions									
Balance as at 1 January 2021	**-**	**(968,412)**	**(9,480,295)**	**(226,296)**	**(3,667,371)**	**(7,763,210)**	**(19,862)**	**(751,627)**	**(22,877,071)**
Other depreciation changes	-	-	(161,981)	-	-	-	-	-	(161,981)
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(134,737)	(735,956)	(12,721)	(314,292)	(465,348)	-	(356,738)	(2,019,792)
Sales and write-offs	-	-	367,923	-	-	-	-	-	367,923
Balance as at 31 December 2021	**-**	**(1,103,149)**	**(9,686,346)**	**(239,017)**	**(3,981,662)**	**(8,228,557)**	**(19,862)**	**(1,108,365)**	**(24,366,959)**
Net book value as at 31 December 2021	**3,375,363**	**9,880,199**	**5,641,584**	**41,410**	**837,288**	**1,761,601**	**356,624**	**1,510,329**	**23,404,398**

NOTE 17: INVESTMENT PROPERTIES

	Group	Bank
Amounts in EUR	**Fields - plots**	**Land**
Acquisition cost		
Balance as at 1 January 2020	**24,487,516**	**7,856,768**
Additions	114,789	73,675
Transfers from property and equipment	-	-
Transfers from Other Assets	7,369,690	7,369,690
Fair value measurement adjustments	2,629,911	2,931,867
Write-offs	-	-
Balance as at 31 December 2020	**34,601.906**	**18,232.000**
Acquisition cost		
Balance as at 1 January 2021	**34,601.906**	**18,232.000**
Additions	293,329	286,207
Transfers from property and equipment	-	-
Transfers from Other Assets	9,401,546	7,510,210
Fair value measurement adjustments	2,681,144	1,602,480
Write-offs/Sales	-	-
Balance as at 31 December 2021	**46,977.925**	**27,630.897**

A significant part of the changes that occurred in the item "Investment property" as at 31 December 2021 concerns a change from the fair value of real estate amounting to € 2.7 million (2020: € 2.6 million) and € 1.6 million. (2020: € 2.9 million) for the Group and the Bank, respectively. The aforementioned valuation changes as well as the net results from the sale of property are reported in line "Other net income" of the income statement. Estimates are used to determine the fair value of Investment Properties, as detailed in Note 2.14 "Investment Properties". The fair values of the Group's and the Bank's Investment Property are classified at level 3 of the fair value hierarchy.

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Deferred tax assets				
Financial assets at fair value through profit or loss	82,424	218,417	82,424	218,417
Financial instruments at amortized cost	39	39	39	39
Loans to customers	16,454,118	15,941,792	16,454,118	15,941,792
Investments in subsidiaries	3,708,831	4,312,835	3,708,831	4,312,835
Holdings in associates	-	156,497	-	-
Investment securities	2,228,325	2,248,167	2,228,325	2,265,173
Property, plant and equipment	(1,175,039)	(1,443,005)	(1,089,733)	(1,028,600)
Investment property	(8,012,960)	(1,641,173)	(8,012,960)	(1,604,818)
Intangible assets	(125,595)	19,801	(128,145)	(101,143)
Deferred tax receivables on net book value debit difference of Article 27 par.3 of Law 4172/13	2,043,863	2,179,687	2,043,863	2,179,687

Other assets	7,703,484	1,477,000	7,617,404	1,238,981
Subtotal	**22,907,490**	**23,470,055**	**22,904,166**	**23,422,363**
Other liabilities*	354,323	253,901	293,985	192,380
Subtotal	**354,323**	**253,901**	**293,985**	**192,380**
Loss carried forward	-	-	-	-
Total	**23,261,813**	**23,723,956**	**23,198,152**	**23,614,744**

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Deferred tax liabilities				
Property, plant and equipment	1,670,253	1,407,438	-	-
Investment property	1,607,379	67,079	-	-
Intangible assets	(101,674)	(13,996)	-	-
Holdings in associates	565,740	-	-	-
Investment securities	146,416	(3,099)	-	-
Other assets	(1,254,826)	(286,897)	-	-
Tax Identification Recognition	(217,946)	(199,022)	-	-
Subtotal	**2,415,342**	**971,503**	-	-
Other liabilities*	(21,895)	(42,320)	-	-
Reserve for defined benefit plans	-	-	-	-
From loss brought forward	-	-	-	-
Total	**2,393,448**	**929,183**	**-**	**-**

* As restated

The Group and the Bank have offset deferred tax assets and liabilities per company separately.

Deferred tax assets on the Bank and the Group primarily arise from differences in the accounting and tax bases that do not have an expiry date and therefore their recoverability is not called into question in the context of ongoing concern.

Pursuant to Regulation (EU) No 575/2013 on capital requirements, deferred tax assets that are based on future profitability and that exceed specific limits must be deducted from the Bank's Tier 1 Common Stock. However, Article 27A of Law 4172/2013 and its amendments (Law 4303/2014 and Law 4340/2015) allow, subject to certain conditions, the deferred tax assets resulting from accumulated impairment provisions to be converted to cover credit risk and which have been accounted for as at 30 June 2015 in final and outstanding claims against the Greek State (Tax Credits). The Bank, by the decision of the Extraordinary General Meeting dated November 24, 2015, has been subject to the provisions of Article 27A of Law 4172/2013 (as amended by Article 4 of Law 4340/2015). The provisions of Article 27A of Law 4172/2013, involve the optional conversion of deferred tax assets, on temporary differences, into definitive and outstanding claims against the Greek State.

Article 43 of Law 4465/04.04.2017 amended Articles 27 and 27a of the Income Tax Code (Law 4172/2013). According to the new provisions, the debt difference that will arise for legal entities supervised by the Bank of Greece from the permanent write-off of their debtors as well as the loss from the sale of loans, are recognized for deduction from gross income and are amortized over a period of 20 years. The deferred tax asset that will be recognized by the above debt difference as well as any write-offs of loans or credits that have not been converted into debt at the end of each accounting year are converted into a definitive and settled receivable against the State pursuant to the above terms and conditions.

The total amount of the deferred tax asset that will arise (a) from the debt difference due to the definitive write-off of debtors and loan sales, (b) from the temporary differences arising from the loan and credit write-offs as well as (c) from the temporary differences in accumulated provisions and other general credit risk losses may not exceed the total amount of tax on accumulated provisions and other credit risk losses recognized until June 30, 2015. This arrangement, which entered into force on 01.01.2016, ensures that loan write-offs and restructuring to reduce non-performing loans will not lead to a loss of supervisory capital.

The deferred tax assets of 31.12.2021, which fall under Article 27a of Law 4172/2013, amounted to € 18.36 million at both Group and Bank level. This is the chargeable tax, 29% on the temporary differences in the accumulated provisions against credit risk, which had been calculated up to 30 June 2015. The existence of tax losses is the basic requirement for the creation of Tax Credits, which are calculated as a percentage of accounting losses after tax

under IFRS to equity (excluding losses in the year). This percentage is applied to the balance of the eligible deferred tax assets of a particular year to calculate the tax credit that will be converted into that year in relation to the previous fiscal year. EU Directive 575/2013 allows credit institutions not to deduct, for purposes of calculating the capital adequacy ratio, the deferred tax assets of Tier 1 Common Stock.
Article 82 of Law 4472/19.5.2017 provides for the obligation of credit institutions and other companies that fall under the provisions of article 27A of Law 4172/2013 to pay an annual commission to the Greek State on the amount of deferred tax asset arising from the difference between the applicable tax rate (currently 29%) and the tax rate applicable until 31.12.2014 (26%). The commission paid by the Bank for the year 2021 amounts to approximately € 32 thousand.
The tax rate for profits from business activities acquired by legal persons and legal entities that keep duplicate books is 22% from 2021. This rate only applies to deferred tax receivables / liabilities recognized by the Bank's subsidiaries. With explicit reference to the law, this rate does not apply to credit institutions for which is still 29%, provided that they have been included and are subject to the special provisions of article 27A of law 4172/2013.

NOTE 19: OTHER ASSETS

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Tax advances and other tax claims	96,664	142,940	83,214	85,991
Prepaid expenses	439,684	434,742	144,155	61,744
Revenue receivable	25,430	25,430	25,430	25,430
Deposit and Investment Guarantee Fund	10,840,680	10,863,029	10,840,680	10,863,029
Real Estate Stocks	16,950,224	26,129,318	8,615,549	11,521,110
Trade and other receivables	7,027,235	5,724,467	1,513,549	2,449,180
Other	8,907,446	6,502,380	5,137,240	3,554,800
Total	**44,287.363**	**49,822.306**	**26,359.817**	**28,561.285**

Directive 2014/49 of the European Parliament, which lays down the rules and procedures concerning the establishment and operation of deposit guarantee schemes, has been incorporated into Greek law by Law 4370/2016. Under this law, credit institutions are required to participate in the Deposit and Investment Guarantee Fund (TEKE). In the table above, the "Deposit and Investment Guarantee Fund" refers to the Bank's participation in the assets of the Deposits Coverage Leg totaling € 10.8 on 31.12.2021 (31.12.2020: € 10.8 million).
"Other assets" for the Group include the value of the stocks of the companies "ABEA" and "BIOCHEM" on 31.12.2021 totaling € 3.5 million (31.12.2020: € 2.6 million).

The "Real estate inventories" refers to auctioned property or recovered collateral for the Bank, while the Group also includes real estate reserves of the Group's subsidiaries. These funds were valued at the lower of their acquisition cost and their net realizable value. The movement of "Real Estate Inventory" is presented in the following table:

Amounts in EUR	**Group**	**Bank**
Balance as at 1 January 2020	**29,126,263**	**14,533,746**
Additions	4,374,287	4,358,596
Transfers from / (to) Investment Property	(7,369,690)	(7,369,690)
Measurement adjustments	(42)	(42)
Write offs/ Sales	(1,500)	(1,500)
Balance as at 31 December 2020	**26,129,318**	**11,521,110**
Additions	195.014	4,604,649
Transfers from / (to) Investment Property	(9,401,546)	(7,510,210)
Measurement adjustments	27,438	-
Write offs/ Sales	-	-
Balance as at 31 December 2021	**16,950,224**	**8,615,549**

NOTE 20: AMOUNTS DUE TO CENTRAL BANKS, CUSTOMERS AND BANKS

a) Due to customers

Due to customers

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Deposits:				
Savings	92,639,850	69,291,310	92,639,850	69,291,310
Sight	65,966,808	81,616,380	66,337,733	81,968,207
Time	440,700,080	465,557,614	440,700,080	465,557,614
Total	**599,306,738**	**616,465,304**	**599,677,662**	**616,817,131**

According to Law 4151/2013, all inactive deposit accounts after 20 years are subject to limitation in favor of the Greek State. All credit institutions operating in Greece are required by the end of April of each year to return the cash balances of these inactive accounts to the Greek government.
After the modification of the capital controls (Decision No 0001695 ΕΞ 2017/Χ.Π. 1917, Government Gazette 3976 14/11/2017) the provisions of Law 4151/2013 concerning the return of inactive accounts to the State where they had been suspended pursuant to section 1, paragraph 6 of the Legislative Act published in the Government Gazette, Law 84/18.7.2015, were re-enacted. The accounts that closed 20 years in 2021 amount to € 18.6 thousand.

b) Due to other Banks

Due to Credit Institutions

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Due to other Banks:				
Sight	2,683,768	26,271,056	1,566,381	25,141,494
Time	-	-	-	-
Total	**2,683,768**	**26,271,056**	**1,566,381**	**25,141,494**

NOTE 21: OTHER LIABILITIES

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Creditors and Suppliers	3,888,479	2,835,331	657,342	792,613
Proceeds on behalf of third parties for return (via DIAS)	184,820	110,846	184,820	110,846
Tax liabilities and charges (excluding income tax) and insurance organizations	1,097,346	1,438,838	804,072	1,033,901
Expenses payable and income of subsequent fiscal years	296,430	621,362	23,160	30,480
Other liabilities	4,972,193	4,032,370	3,637,716	3,029,085
Total	**10,439,268**	**9,038,747**	**5.307.110**	**4,996,925**

NOTE 22: CONTINGENT OBLIGATIONS, SECURITIES AND COMMITMENTS

a. Legal issues

There are pending claims and lawsuits against the Bank. Based on the information provided by the Bank's Legal Advisers to the Management, no reliable assessment can be made at the present time concerning the outcome of these cases as some of these cases are at an early stage and others have not become final, and their resolution may take several years.
In the context of claims against its customers, the Bank has taken legal action to recover arrears.

More specifically:
With regard to litigation-actions brought by associates against the Bank seeking damages for the plaintiffs on account of the damage they have suffered from drawing up the Special Accounts Contracts, part of that amount, around € 26.7 million, has so far been adjudicated, seeking damages of € 17.6 million against the Bank, with provisional amounts of around € 3.5 million being appealed by the Bank.
Note that in the event of a risk arising from the non recollection of all receivables paid as provisionally enforceable amounts, the Bank made an additional provision at the expense of its results in 2021 amounting to € 1.5m. (see note 10), forming a cumulative provision on 31.12.2021 for all its provisionally enforceable requirements, total amount of approximately € 3.4 million. For these amounts, the re-collection procedure has already started for the appeal decisions awarded to the Bank.

From all the lawsuits that have been heard, there are appeal decisions, two of which have become irrevocable in favor of the Bank, with the no. 1007/2019 and 1197/2021 decisions of the Supreme Court (AP), for the others we expect the trial by the AP. One of those lawsuits is considered important for the outcome of the cases, as it was brought before the Supreme Court (judgment no. 1007/2019), which acquitted the Bank and referred the judgment to the Court of Appeals for reconsideration. Subsequently, the Court of Appeal with its decision No 133/2020, which was issued in the context of the referral to the Court of Appeal, following the previous decision of the Supreme Court, ruled in favor of the Bank by rejecting the action of the defendants.
For the other judgments, appeals are pending for both us and the opponents.

The harmonization with the above judgment of the Supreme Court is reflected in the recently issued judgments of the Court of Appeal of Crete (no. 99/2019 and 31/2020, 23/2021) which acquit the Bank and reject the lawsuits in their entirety.

In view of the foregoing, the Bank's lawyers / legal advisors are of the opinion that the lawsuits in question will be rejected for specific reasons relating to the completeness of the documents presented by the Bank that prove their legality and compliance with the laws and regulations imposed on credit institutions and consequently on the Bank's transactions with its customers.
Therefore, the Management of the Bank considers, taking into account all the above as well as the complexity of the cases and their duration, that the final settlement, until their irreversibility, will have a positive outcome for the Bank and is not expected to have an impact on its Financial Statements, therefore the Bank has not made a relevant provision.

b. Pending tax audits

The Bank has not performed tax audits for the years 2016 to 2021 and has accumulated provisions of € 50,000 for those unaudited tax years which are considered sufficient.

The Group's subsidiaries have not been audited for certain fiscal years and therefore their tax liabilities for those years have not been finalized. Therefore, as a result of these audits, additional fines and taxes may be imposed, the amounts of which cannot be accurately determined at present. However, at the Group level, no provision has been made for any differences that may arise in the future tax audit of their unaudited tax years since tax audits performed in the past and even in years with accounting and taxable profits did not result in significant additional taxes. In the present situation and with the majority of the unaudited years of the Group's subsidiaries being related to accounting and tax losses, it is difficult to make an estimate at the Group level, and Management estimates that tax audit differences that will have a significant impact on the Group's financial position, may be found.

The Bank and its Subsidiaries were not required to have a Certified Auditor issue a Tax Certificate by the until the fiscal year 2015 while from 2016 onwards the issuance of the "Annual Tax Certificate" became optional (with the exception of the Bank which does not fall under the Credit Partnership provisions on the issue of an optional Tax Certificate) for the Group's subsidiaries. Among them, the company "BIOCHEM SA" chose to be included in the audit for a Tax Compliance Certificate for fiscal year 2016 (relevant Tax Compliance Report without notes) while "ABEA

SA" chose to be included in the audit for a Tax Compliance Certificate for fiscal years 2018 and 2020 (corresponding tax compliance report without reservation), whereas for the fiscal year 2021 the relevant audit is in progress and the relevant tax certificate is foreseen to be issued after the publication of the financial statements of the Group for the year 2021, where it is estimated that no significant tax charges.

Following is a list of the unaudited tax years of the Group companies:

Subsidiary Name	Unaudited years
CRETAN REAL ESTATE SA	2016 – 2021
CRETAN HOLDINGS SA	2016 – 2021
PRIME ENERGY GROUP OF COMPANIES SA	2016 – 2021
CHANIA HOLDINGS SA	2016 – 2021
BIOCHEM SA	2017 – 2021
ABEA SA	2016 – 2017

c. Loan commitments

The loan commitments relate to letters of guarantee issued by the Bank on behalf of its clients as set out in Note 4.3.6.2.

d. Operating lease commitments

Operating lease commitments relate to lease (rent) obligations to the Group and the Bank. The table below shows the minimum estimated future rent payments:

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Up to one (1) year	416,099	337,100	399,499	312,100
From one (1) year to five (5) years	1,060,017	960,804	1,010,217	860,804
Over five (5) years	138.081	75,482	138.081	75,482
	1,614,197	**1,373,385**	**1,547,797**	**1,248,385**

NOTE 23: COOPERATIVE CAPITAL AND PREMIUM

The total paid-up capital and the cooperative capital premium of the Group as at 31 December 2021 and 31 December 2020 are as follows:

						Group	
	Bank						
Amounts in EUR	**No. of shares**	**Nominal value**	**Capital**	**Above par**	**Total Capital (Bank)**	**Own cooperative capital**	**Total Capital (Group)**
As at 31.12.2020	6,579,775	3	19,739,325	84,897,961	104,637,286	(303,890)	104,333,396
As at 31.12.2021	6,596,549	3	19,789,647	85,100,926	104,890,573	(303,890)	104,586,683

The following table shows the movement of cooperative capital and premium for the years 2021 and 2020:

Amounts in EUR	Bank		
	Cooperative capital	Cooperative capital premium	Total
Opening balance as at 1 January 2020	**19,714,140**	**84,796,381**	**104,510,521**
Net increase of cooperative capital	25,185	101,580	126,765
Balance as at 31 December 2020 (Bank)	**19,739,325**	**84,897,961**	**104,637,286**
Net increase of cooperative capital	50,322	202,965,4	253,287
Balance as at 31 December 2021 (Bank)	**19,789,647**	**85,100,926**	**104,890,573**

Amounts in EUR	Group			
	Cooperative capital	Cooperative capital premium	Own cooperative capital	Total
Opening balance as at 1 January 2020	**19,714,140**	**84,796,381**	**(303,890)**	**104,206,631**
Net increase of cooperative capital	25,185	101,580	**-**	**126,765**
(Purchases) / Sales of Own Cooperative capital	-	-	**-**	**-**
Balance as at 31 December 2020 (Group)	**19,739,325**	**84,897,961**	**(303,890)**	**104,333,396**
Net increase of cooperative capital	50,322	202,965	**-**	**253,287**
(Purchases) / Sales of Own Cooperative capital	-	-	**-**	**-**
Balance as at 31 December 2021 (Group)	**19,789,647**	**85,100,926**	**(303,890)**	**104,586,683**

NOTE 24: DEBT SECURITIES IN ISSUE

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Balance as at 1 January	16,627,878	21,629,177	16,627,878	21,629,177
Bond issues	3,150,000	4,000,000	3,150,000	4,000,000
Expiry of bonds	(2,500,000)	(9,000,000)	(2,500,000)	(9,000,000)
Change in accrued interest	(2,612)	(1,299)	(2,612)	(1,299)
Balance as at 31 December	**17,275,267**	**16,627,878**	**17,275,267**	**16,627,878**

The Bank proceeded in 2021 to a new issue of a bond loan of € 3,15 million, with a term of 7 years from the date of issue, the period of payment of the coupon was set at six months with an interest rate of 3,5%, while the amount of € 2,5 million of the 2016 issue bond expired and was repaid.

In 2020, the Bank proceeded to a new issue of a bond loan of € 4 million, with a term of 7 years from the date of issue, the period of payment of the coupon was set at six months with an interest rate of 4%, while the amount of € 9 million of the 2015 issue bond expired and was repaid.

In 2019, the Bank proceeded with three issues of bonds with a nominal value of € 10,000 each, totaling € 5,900,000 with a private placement. More specifically, the Bank issued a bond of € 1.9 m on 30.06.2019 (General Meeting Decision of 17.06.2018), a bond of € 3 m on 31.10.2019 (General Meeting Decision of 14.07.2019) and finally a bond of € 1 m on 15.11.2019 (General Meeting Decision of 14.07.2019). The Bond Period was set at 7 years from the Issue Date while the coupon payment period was set bi-monthly, with interest rates of 4.75% and 5.3%, respectively. As in previous issues of the Bank, the bonds are unsecured and ranked after the fully-secured claims of all other creditors of the Bank. The capital will be repaid in one installment upon Bond maturity.

The main reason why the Bank proceeds with the issuance of subordinated bonds is, among other things, the strengthening of its regulatory capital (Tier 2 Capital) and consequently of the total Capital Adequacy Ratio (CAR).

The net proceeds of the issue of subordinated bonds fell into the category of Tier II funds of the Bank, as defined by the Bank of Greece in accordance with Law 4261/2014 and Article 92 of Regulation 575/2013, with a view to enhancing the Bank's equity.

Characteristics of bonds	**Terms**						
	Issue 2017	***Issue 2018***	***Issue 2019***	***Issue 2019***	***Issue 2019***	***Issue 2020***	***Issue 2021***
	Subordinated Bond (Common)	***Subordinated Bond (Common)***	***Subordinated Bond (Common)***	***Subordinated Bond (Common)***	***Subordinated Bond (Common)***	***Subordinated Bond (Common)***	***Subordinated Bond (Common)***
	Terms	**Terms**	**Terms**	**Terms**	**Terms**	**Terms**	**Terms**
Date of issue	29/12/2017	15/6/2018	30/6/2019	31/10/2019	15/11/2019	31/12/2020	31/12/2021
Expiry date	29/12/2024	15/6/2025	30/6/2026	31/10/2026	15/11/2026	31/12/2027	31/12/2028
Years	7	7	7	7	7	7	7
Amount	2,070,000	2,110,000	1,900,000	3,000,000	1,000,000	4,000,000	3,150,000
Nominal value of the bond	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of Bonds	207	211	190	300	100	400	315
Interest rate	4.75%	4.75%	4.75%	5.30%	5.30%	4.00%	3,50%
Payment of interest	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days
Recognition in Tier 2 Supervisory Capital	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II

NOTE 25: TRANSACTIONS WITH RELATED PARTIES

	Group		**Bank**	
Amounts in EUR thous.	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Receivables	28,643,1	26,042,6	63,103,2	61,134,6
Liabilities	5,886,7	6,757,9	6,257,6	7,109,7
Letters of guarantee, contingent liabilities and other memo accounts	1,522,4	1,230.3	1,525,9	1,233.8

	Group		**Bank**	
	From 1.1 to		**From 1.1 to**	
Amounts in EUR thous.	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Income from interest, commissions and other income (Total)	1,604,2	1,444,8	4,088,4	4,778,0
Expenses from interest, commissions and other expenses (Total)	35,2	84.2	35,2	84.4

Fees and allowances to executives and board members of the Bank and the Group from 1 January to 31 December 2021 are as follows:

	Group		Bank	
Amounts in EUR thous.	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Board Members' Allowances - Representation to the Board	26,6	28.1	26,6	28.1
BoD Members Fees - SERVICE PROVISION (invoiced)	357,2	421.4	281,2	267.8
Remuneration of Bank Managerial Executives - Payroll	703,4	708.8	703,4	708.8
Amounts in EUR thous.	**1,087,1**	**1,158.3**	**1,011,2**	**1,004.7**

The intercompany transactions mentioned above have been made on market terms and on a purely commercial basis (arm's length transactions). Loans have been approved by the Bank's competent bodies and provided within the Bank's approved financing policies and procedures. Specifically, grants to associated parties:

(A) have been provided under the normal business context;
(B) included the same terms (interest rate, collateral) as similar loans granted to third parties in the same period;
(C) are regularly serviced and a provision has been made - in some cases - for their balances;
(D) do not contain a greater risk of default than usual.

NOTE 26: INVESTMENTS IN SUBSIDIARIES

	Group Voting percentage	
Subsidiary Name	**31.12.2021**	**31.12.2020**
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
BIOCHEM SA	79.88%	79.88%
ABEA	71.69%	71.69%
PRIME ENERGY Group SA	100.00%	100.00%

In 2021, the merger was completed by absorption in accordance with the relevant provisions of Law 4601/2019 of the subsidiaries (100%) of "Prime Energy SA" ("MELMAR PHOTOVOLTAIKI ENERGY MON / SOPI LTD", "MGK" MON / BODY SA "," SAL ENERGY SIX MONTH / BODY LTD "). In addition, "Prime Energy SA" completed the acquisition of 100% of the company shares in the companies "KRITIKO BIOAERIO TWO SINGLE MEMBER IKE" and KRITIKO BIOAERIO TRIA SINGLE MEMBER IKE".

It is noted that the financial statements of the consolidated companies are included with the method of full consolidation in the consolidated financial statements of the Group and with the method of equity in the individual balance sheet of the Bank.

NOTE 27: HOLDINGS IN ASSOCIATED COMPANIES

	Group	
Amounts in EUR	**2021**	**2020**
Holding through CRETAN HOLDINGS SA		
Holding in "Milk Processing Industry SA"	25.00%	25.00%
Holding in "Chiotaki Bros SA"	48.98%	48.98%

In 2021, there were no significant changes in the rates of the Group's holdings in associated undertakings.

The following table shows the movements of holdings in 2021 and 2020:

	Group	
Amounts in EUR	**2021**	**2020**
Balance as at 1 January	112,114	170,350
Additions	29.000	9,184
Profit/(Loss) Ratio	-	(67,420)
Other changes	(93,580)	-
Balance as at 31 December	**47,534**	**112,114**

The share of losses of € 67 thousand, for 2020, results from the valuation of holdings using the equity method as applied by the Group (note 2.4.5.). Note that in 2021 the participation of the subsidiary "KRITIKA AKINITA S.A." in "Chania Business Park S.A." was transferred to the "Investment portfolio" of the Group, given that in 2021 a significant influence is no longer exercised in accordance with IAS 28, allowing the transfer of participation from a relative to an investment title. This transfer of the value of the participation to the specific relative in 2021 is illustrated in the above table in "Other changes".

NOTE 28: FEES OF THE INDEPENDENT CERTIFIED PUBLIC AUDITOR/ACCOUNTANT

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Fees for statutory audit of financial statements	89,804	86,056	49,600	45,880
Fees for other audit services	10,540	9,920	-	-
Fees for non-audit services	3,100	3,720	3,100	3,720
Total	**103,444**	**99,696**	**52,700**	**49,600**

The audit company "UHY AXON Certified Auditors SA" was the statutory independent auditor-accountant for the years 2021 and 2020. The above table shows the total remuneration for the audit and other professional services provided to the Group by the statutory audit company "UHY AXON Certified Auditors SA".

NOTE 29: OTHER RESERVES

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Statutory reserve	2,614,059	2,614,059	2,614,059	2,614,059
Taxed	549,071	549,071	549,071	549,071
General reserve	983,698	983,698	983,698	983,698
Specific reserve	137,755	137,755	137,755	137,755
Other Reserves*	293,818	81,319	64,679	83,818
Total	**4,578,402**	**4,365,903**	**4,349,263**	**4,368,402**

* As restated

During 2021 there were no significant changes in the Bank's reserves, while in the Group's reserves the increase is mainly due to the formation of a tax-free reserve of the subsidiary company AVEA amounting to € 233.05 thousand. It should be noted that the change in the accounting policy of the Group and the Bank regarding the allocation of the defined staff benefits in terms of service periods, according to IAS 19, led to a reform of the "Other reserves" on 31.12.2020, namely a reduction of the relevant reserves by € 121, 2 thousand and € 90.5 thousand, respectively (*see Note 8: DEFINED BENEFIT PLANS LIABILITY*).

NOTE 30: NET INCOME FROM NON-BANKING OPERATIONS

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Rental of buildings	285,740	164,038	197,786	189,638
Safe-deposit box rentals	15,305	11,870	15,305	11,870
POS rentals	101,565	101,354	101,565	101,354
Grants for programs and NSRF program fees	-	-	-	-
Other income	31,016	12,413	31,016	12,413
Results from other non-banking operations	4,408,691	4,036,869	-	-
Total	**4,842,317**	**4,326,544**	**345,673**	**315,275**

The Group's "Results from other non-banking operations" for the fiscal year 2021 totaling around € 4,4 million (2020: € 4 million) mainly include the gross profit of the consolidated subsidiaries ABEA, BIOCHEM and PRIME ENERGY amounting to € 2.6 million, € 0.87 thousand and 0.98 million respectively (2020: € 2.1 million, € 0.87 million and € 1 million respectively).

NOTE 31: INCOME TAX

The burden of the income statement is taxed as follows:

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Current Tax	(37,956)	(121,553)	-	(82,000)
Deferred Tax revenue/(expense)	(1,934,782)	326,378	(424,410)	(884,413)
Total	**(1,972,739)**	**204,825**	**(424,410)**	**(966,413)**

Deferred and current tax in the statement of comprehensive income is as follows:

	Group		Bank	
Amounts in EUR	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Difference from Depreciation of fixed assets	(15,805)	(91,756)	(29,758)	(14,820)
Result of write-off of assets	-	-	-	-
Credit risk provisions and other receivables	4,240,800	2,362,560	4,263,682	2,349,001
Reversal of interest income on loans	(3,310,653)	(2,504,014)	(3,310,653)	(2,504,014)
Deferred absorption tax of a subsidiary	-	(132,105)	-	(132,105)
Result from the auctioning of real estate	-	-	-	-
Investment Property Valuation	(700.119)	154,118	(464,719)	(849,525)
Real Estate Inventory Valuation	(29,260)	(705)	-	(705)
Provision for staff compensation	10,419	(9,125)	17,336	13,981
Change of deferred tax claim from unpaid debit difference under Article 27 of Law 4172/13	(135,824)	(135,824)	(135,824)	(135,824)
DTA derecognition of subsidiaries	-	-	-	-
Valuation of financial instruments at fair value	-	(62,011)	-	(62,011)

Loss/(Profit) share from Subsidiaries	(603,868)	571,145	(603,868)	571,145
Loss/(Profit) share from Associates	-	-	-	-
Investment Securities Valuation	(1,212,401)	(27,575)	(172,841)	(25,240)
Change in Tax Rate	-	61,943	-	-
Impact from recognition of rights of use (based on IFRS 16)	4,061	(9,139)	3,209	(9,289)
Current Income Tax	(37,956)	(121,553)	-	(82,000)
Tax Identification Recognition	18,924	199,022	-	-
Other adjustments from temporary differences	(201,056)	(50,156)	9,025	(85,008)
Income tax	**(1,972,739)**	**204,825**	**(424,410)**	**(966,413)**

For the unaudited tax years of the Bank and the Group companies see Note 22b.

NOTE 32: EVENTS AFTER THE BALANCE SHEET DATE

Merger with Pancreta Bank

In October 2021, the Bank signed a Memorandum of Understanding and Cooperation (MoU) with Pancreta Bank, by which the two banks declared their intention to combine their business activities through merger.
The intention of the two Cretan Banks is to strengthen their position, through a common, larger scope, always having in mind the interest of their partners/shareholders, customers and employees.

To this end, they have taken the following steps:

- The Financial, Tax and Legal Due Diligence procedure was carried out by independent financial and legal auditors, as defined by both parties, which was successfully completed in January 2022 and the results of which were presented in Administrations of each Bank.
- In May 2022, the Extraordinary General Meetings of the two banks adopted a Private Agreement which clearly describes the framework and the terms of the forthcoming merger. On the basis of this agreement, it is intended that additional financial, tax and legal checks will be carried out if necessary, the Boards of Directors of the two banks in July 2022 should have taken the decision to initiate the merger process, as well as to the Extraordinary General Meetings shall be convened by the end of October 2022 at the latest to approve the submission of a request to the competent supervisory authority.

It is pointed out that the intended merger will be carried out in accordance with the applicable National and European Legislation and under Laws 4601/2019, no. 16, Law 2515/1997, Law 1667/1986 and Law 4548/2018, is subject to obtaining the approvals required by the applicable legislation from both the administrative bodies of the two banks, the Bank of Greece and the Ministry of Development and Investment and is governed by all appropriate, in such transactions, declarations and guarantees of the two banks.

Finally, the forthcoming merger is expected to be completed within the last quarter of 2022.

Chania, 6 June 2022

Chairman of the BoD	Deputy Chairman of the BoD	Treasurer of the BoD	Manager of Financial Services
Michael Marakakis	Georgios Androulakis	Georgios Farantakis	Dimitrios Zymvragoudakis
ID No: AO 803253	ID No: AE974538	ID No: AA490974	ID No: AI 473388
			LICENSE NO OEE 0030682
			CLASS A